Daily Report

Latin America

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Further Reportage on Andean Summit Results

Auto Duty Tariffs Reduced

PA0612182991 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 6 Dec 91

[Report by Amparo Ponton from Cartagena]

[Text] Beginning 1 January 1992, Colombia, Ecuador, and Venezuela will decrease their respective automobile duty tariffs to 40 percent. It will be cut again on 1 January 1994 to 25 percent.

This means that, for Colombia, the commercial value of cars will decrease somewhere between 30 and 35 percent. This is one of the most important decisions made by the five Andean presidents.

[Begin recording of Colombian President Gaviria] There are no more important decisions left to be made. All important decisions were made. There are practically no stumbling blocks remaining for the Andean integration process. [end recording]

Even though the Andean Pact has been revived for the benefit of the region, each president departed both exhausted and with his own perception.

[Begin recording] [Venezuelan President Perez] Today, the Andean Group presidents can surely say that we feel proud. We can also say that we are setting an example and establishing the guidelines for Latin American integration.

[Eduadoran President Borja] It will take a bit more time and work to obtain the necessary consensus for the integration process to advance as we would all like.

[Peruvian President Fujimori] Most definitely. We may have delayed for at least five or six hours here today. Nevertheless, let us not forget that, concerning the integration process, it has taken us 20 years to make the decisions that were made here today.

[Bolivian President Paz Zamora] Bolivia is not departing completely satisfied from this meeting. I say this so that it can also be heard in Bolivia. As the less developed country of the group, we have made some enormous sacrifices to make our economy more open to the Andean Pact. [end recording]

The long working sessions resulted in important economic, political, and military decisions such as cutting the military expenditures of the five countries.

Andean Summit Ends

PY0712171091 La Paz Television Boliviana Network in Spanish 0200 GMT 7 Dec 91

[Special report by Raul Romilio Alarcon from Cartagena de Indias, Colombia]

[Excerpts] In a marathon session, which has just concluded in Cartagena de Indias, the presidents of Bolivia, Colombia, Ecuador, Peru, and Venezuela decided to form a free trade zone and a customs union beginning in 1992. These are the most important agreements in the history of the Andean Group, which is moving up by three years the integration timetable.

In a news conference, the five presidents pointed out that a historic step toward Latin American integration was taken in Cartagena and that the negotiations were strenuous and difficult.

Nevertheless, the Bolivian president said the following:

[Begin President Jaime Paz Zamora recording] Bolivia is not leaving this meeting entirely satisfied and I am saying this so that it can also be heard in Bolivia.

We have made huge sacrifices in order to achieve the Andean Pact's most open economy—bearing in mind that we are the least developed country. We are levying 5- and 10-percent customs duties.

We have made huge advances to end all types of subsidies so that our companies will truly compete.

Nevertheless, we have raised some proposals here that have not been fully accepted. And I am pointing this out with absolute sincerity to the presidents. I told them this directly, but I am also telling this to our peoples, who must see that this is not a simple, easy process. Nevertheless, Bolivia undoubtedly believes in it and Bolivia considers itself a driving force of this integration process.

Bolivia is aware that, in addition to the equity problems, we will also have to consider other problems or attitudes that will truly balance this process.

We also must convince ourselves that perhaps some of us will have to lose in the short term with the prospect of being able to regain our balance in the medium and long term. [end recording] [passage omitted]

[Begin recording of President Paz Zamora and journalists, walking toward Ecuadoran presidential palace in Quito, in progress] [First unidentified reporter] ....in concrete negotiations with President Borja?

[Paz] It is something that we began in La Paz and that we continued in the Rio Group meeting in Cartagena, and now in the Andean Pact meeting. In sum, it is a process to unify all our countries in a great integration process. In other words, the issues are the same, but [words indistinct] in different places.

[Second unidentified reporter] Was the meeting (?productive)?

[Paz] Quite. Of course it was. And we will also talk today. And we will begin implementing a number of projects that have already been raised in the joint Ecuadoran-Bolivian (?communique). [end recording] [passage omitted]

Conclusions Disclosed

PY0712202491 La Paz Television Boliviana Network in Spanish 0200 GMT 7 Dec 91

[Text] The foreign minister has disclosed the conclusions of the Andean Group meeting held in Cartagena de Indias.

Fernando Nessmer, in his capacity as foreign under secretary, read the basic documents issued at the Andean Group meeting.

It was initially decided that beginning 1 January 1992 a free trade zone will become effective in the Andean subregion. For Peru and Ecuador, however, this free trade zone will not become effective until 1 July 1992.

[Begin Nessmer recording] A 5-, 10-, 15-, and 20-percent common customs duty has been established for the Andean subregion beginning 1 January 1992. This common customs duty will be reduced to 5, 10, and 15 percent beginning in 1994.

Nevertheless, Bolivia will maintain the 5- and 10-percent customs duty levels. This will fully preserve the economic policy sponsored by the government.

Concerning agricultural trade, the subregional countries' agriculture ministers will meet soon in order to define the framework of a common agricultural policy.

The common customs duties for vehicles only will become effective for Colombia, Peru, Ecuador, and Venezuela, which means that there will not be any changes whatsoever in the effective customs duty levels for vehicles in Bolivia.

Concerning the list of exemptions, it will be removed on 1 January 1993.

The Andean Group countries agreed that, to the extent possible, Bolivia's export products will not be subjected to the application of safeguards clauses.

As far as export incentives are concerned and with the goal of enhancing the Andean customs union, foreign exchange and financial and fiscal incentives, involving direct taxes, will be removed by 31 December 1992.

Concerning trade relations with third countries, a proposal has been raised to enhance the common character of these relations.

Nevertheless, if joint negotiations are not possible, the Andean Group countries will be able to separately conduct bilateral negotiations with countries and/or groups of countries such as the Mercosur [Common Market of the South] and others.

In conclusion, the Andean Group countries also released the Cartagena Declaration on the relinquishment of weapons of mass destruction, which represents an all-important step to guarantee peace and security in the entire region. [end recording]

Mercosur Commission Approves Ruling Statute

PY0712141291 Montevideo Radio Carve in Spanish 2300 GMT 6 Dec 91

[Report from Congress by Fabian Manisse]

[Text] The statute that will rule the Mercosur [Common Market of the South] Parliamentary Commission has been approved with a few modifications after a long day of work by the deputies and senators of the four Mercosur country members. They thus complied fruitfully with the terms of Article 24 of the Treaty of Asuncion. The congressmen also established technical criteria that will complement the laws of the Mercosur member countries.

After today's meeting, Senator Sergio Abreu, who presided over the Parliamentary Commission meeting, told Radio Carve:

[Begin Abreu recording, in progress] ...the structure and functioning of the Mercosur Parliamentary Commission, which establishes its attributions, authority, and modus operandi. The framework of the commission's juridical activities is determined by Article 24 of the Treaty of Asuncion that establishes the possibility of putting into operation the Mercosur Parliamentary Commission, which is meant to contribute to the integration process in such a way that its legal status gives it the right to suggestions resulting from debates and the outcome of consultations. But, this is not so within the legislative sphere because we do not have an (?international) status, nor does the Treaty of Asuncion establish competence beyond what I have just mentioned.

But anyway, the Parliamentary Commission will make a coordinated effort that will allow all of us to work jointly and in one way or another hone the various positions, because the legislative aspects and the harmonization of legislation is one of the basic components that help in achieving many of the objectives outlined in the Treaty of Asuncion. [end recording]

Argentine Deputy Saturnino Aranda expressed his opinion that the only way to overcome our crises and be able to produce assets for export is through Mercosur.

The congressman from the neighboring country, who is president of the International Affairs Committee of the Chamber of Deputies, expressed his confidence that all member countries will slowly be able to balance their economies.

He also shares the viewpoint that countries such as Peru, Bolivia, and Chile will also join Mercosur.

[Begin Aranda recording] None of us have any major concerns. It is true that our economies are not on the same level, it is true that we have different types of difficulties, but we are enormously confident that all the countries of this region will slowly begin to balance their

economies, and we are also confident that Peru, Bolivia, and Chile will also join this Common Market of the South. [end recording]

Brazilian Deputy Dirceu Carneiro acknowledged that the lack of economic stability in his country is an obstacle to integration.

Notwithstanding, he expressed his hope that the inflationary process that the country is experiencing will be overcome very soon, and he added that the public is to be blamed for this situation. He also said that integration is a stimulant to be used for correcting the lack of economic stability.

He indicated that there is concern in the agricultural market in the southern part of the country, and that many markets will have to reconvert for their own good and for the good of their future partners who are asking for increased production.

[Begin Carneiro recording] Well, of course economic stability is fundamental for integration. But we must achieve it so that integration will come about favorably. We hope that this process will bring stability to our economy and that the high inflation rate will be overcome.

The public is generating this situation in Brazil. [end recording]

Paraguayan Deputy Oscar Facundo Ynsfran has indicated that Mercosur must be understood as an organization to be used for exporting abroad and that it must not be used just to supply the Brazilian and Argentine markets.

The congressman from the Colorado Party of Paraguay added that development must not occur at the cost of integration; it must combine technologies that Brazil and Argentina have with basic products from Uruguay and Paraguay.

He added that the free circulation of goods and services does create major difficulties, but a greater policy must be sought, such as the transit without borders for citizens of any Mercosur member country, which in the last instance will mean an improved standard of living and income.

[Begin Ynsfran recording] Well, we have people in Paraguay who know the topic and they observe it with a lot of enthusiasm, and of course they believe that it is a challenge for Paraguay and therefore have to overcome their own limitations. It is the destiny of our peoples, and in this respect they are optimistic, but there are also those who are wary regarding the same thing. [end recording]

Finally, it must be said that the committee will continue the debate tomorrow at 0900.

Cuba

Slavic 'Agreement of Three' Signing Noted

FL1012033991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Dec 91

[Text] After several hours of extreme tension, the Soviet scene became more critical today with Foreign Minister Eduard Shevardnadze's demands to make a juridical evaluation on the formation of a community of Slavic Republics. A source close to the foreign minister announced today that the realization of this concept last night in Belarus by Stanislav Shushkevich, Belarus Parliament president; Boris Yeltsin, Russian president; and Leonid Kravchuk, president of the Ukraine astonished Shevardnadze.

On the other hand, NOTIMEX news agency confirmed today that Soviet President Mikhail Gorbachev condemned the treaties, known as the Agreement of Three, which was signed by Belarus, Russia, and Ukraine and he asked parliamentarians from the republics to convene an emergency session. According to NOTIMEX, Gorbachev said that the leaders of the Slavic states did not hold the mandate of their people and their parliaments. Also from the meeting are reports calling for a special session of deputies of the All-Union Soviet and for a referendum to define the will of the people..

At the conclusion of a meeting between Gorbachev and the presidents of Russia and Kazakhstan, held today, the spokesperson for the president, Andre Grachev said that the state chief has a full agenda which includes meeting with republican and other political leaders. According to Andre Grachev, during the meeting Gorbachev and Kazakhstan President Nursultan Nazarbayev, proposed to Yeltsin numerous [word indistinct] with relation to the agreement of a community of independent states.

According to political observers, with the signing of this document last night in Minsk by Belarus, Russia, and Ukraine, the Union of Soviet Socialist Republics, founded in 1922, ceases to exist. In the past few days, Gorbachev's efforts to form a union of sovereign states met with a dead end; after the Ukraine's declaration of independence and the negative reaction of Ukraine leaders to the union process.

Upon reaching an agreement yesterday, the creation of a community of independent states, third country laws, including the USSR, were declared invalid in Russia, Ukraine, and Belarus. Observers think that by rejecting orders from the central government, the leaders of these republics have virtually forced Gorbachev on the road of separation.

On another matter, Pavel Voshchanov, Boris Yeltsin's press secretary, has confirmed that the Interstate Economic Committee, the Foreign Ministry, and other central government organizations have ceased to exist. The Soviet Legislative Committee for Constitutional Control has decided to meet tomorrow to make a juridical evaluation concerning the recent decision of the leaders of Ukraine, Russia, and Belarus.

Meanwhile, the region of Nagorno-Karabakh, located inside Azerbaijan and inhabited mainly by Armenians, will hold a referendum in order to determine the future status of this autonomous region of the Caucasus. In a mass consultation, which is being observed by approximately 40 representatives from the six republics of the USSR and other countries, the citizens must vote in favor or against independence. Meanwhile, according to the official results released today, a politician of 51 years, Miercea Snegur was elected president of Moldova, a Soviet republic bordering Romania, by 98 percent of the votes. They say that 1,945,000 people voted in these first direct Moldovan presidential elections, in which 82.88 percent of citizens participated.

'Disintegration' of Soviet Union Examined

FL0912144191 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Dec 91

[Orlando Contreras commentary: "Our Opinion"]

[Text] Today the presidents of the Ukraine, Belarus, and Kazakhstan plan to meet with the president of the Soviet Union, Mikhail Gorbachev. Yesterday Russia, Belarus, and the Ukraine signed a treaty in Minsk for the creation of a community of independent states which in its preamble, according to the TASS NEWS AGENCY, states: We, the Republic of Belarus, the Russian Federation, and the Ukraine, as founding states of the Union of Soviet Socialist Republics, signers of the corresponding treaty of 1922, consider that the USSR, as a subject of international law, and geopolitical reality, has ceased to exist.

According to the reports that we have received this morning, the presidents of the three countries, the signers of the new treaty, will inform Gorbachev officially of the decision that has been made. In some Western media there have been expressions of concern that there are possibilities of internal conflicts breaking out in the vast territory of what was the USSR.

Almost three-fourths of the 290 million inhabitants of the Soviet Union live in Russia, Belarus, and the Ukraine. Additionally, those territories have the greatest part of the economic force of the USSR, which before the disintegration occupied nearly one-sixth of the world.

Before the signing of the treaty between the three republics, President Gorbachev told Ukrainian television that there could be an economic and social collapse if the republics destroyed the Soviet Union. This is exactly what was said yesterday in the preamble that I have cited, that the USSR has ceased to exist.

It is evident that the situation is grave. It is the role of those peoples and their leaders to solve their internal

problems. Everyone recognizes that the situation is difficult, even more so right now, just two weeks before the beginning of the harsh winter in the Northern hemisphere.

This relates to us, to Cuba, in that this news does nothing but confirm what Fidel warned of and pointed to in the closure of the FEEM [Federation of Secondary School Students] congress when he said that these are difficult moments that can only be solved with work, maturity, unity, sacrifice, and willingness to struggle. We must remember that in the world of today nobody is going to give us anything. We must earn everything with our efforts, intelligence, and creativity.

Castro Meets With UNICEF Delegation

FL1012025991 Havana Radio Rebelde Network in Spanish 0000 GMT 10 Dec 91

[Report by correspondent Josefa Bussi from Havana's Palace of the Revolution—live]

[Text] Our Commander in Chief Fidel Castro is presenting a national plan of action to comply with the accords of the World Summit for Children held last year in New York. This plan responds to the summit which, I repeat, was held in September of last year in New York where all the countries of the world agreed to present a plan for the protection of children. Cuba, of course, agreed to draft a plan and tonight our commander in chief is presenting it to the UN delegation, headed by UNICEF Executive Director Richard Jolly [title as heard] which arrived yesterday on the island. UNICEF is the United Nations Children's Fund.

In the brief ceremony being held here, Comrade Fidel Castro said despite the special period, Cuba will maintain what it has accomplished so far in social care, education, and fundamentally, attention to infants and children. In his brief remarks our commander in chief also made reference to all the programs which Cuba is currently carrying out to [words indistinct] face the special period. Mr. Richard Jolly said Cuba has one of the best child care systems in the world. He noted Cuba's accomplishments on the reduction of infant mortality.

The meeting is still going on. They are now talking. Our commander in chief thanked the UNICEF representatives for coming to Cuba and receiving this plan which, I repeat, is very ambitious despite all the problems our country faces. Cuba is determined to maintain its levels of child care, education, and health despite the current difficulties.

Castro Comments on Eighth FEEM Congress

FL0912133691 Havana Tele Rebelde Network in Spanish 1800 GMT 7 Dec 91

[Report on interview with Commander in Chief Fidel Castro by members of the Secretariat of the Federation of Secondary School Students, FEEM, during the Eighth FEEM Congress at the Palace of Conventions in Havana, on 7 December—recorded]

[Text] Minutes before leaving the Palace of Conventions, Fidel Castro met with members of the Secretariat of the Federation of Secondary School Students [FEEM] to whom he commented on the Eighth FEEM Congress.

[Begin recording] [Unidentified speaker] We have a team from the FEEM that interviewed you, just as you were interviewed at the Pioneers Congress, but I would like you to answer only one question. If you had to define the FEEM Congress, or the Eighth FEEM Congress, with only one word, what would it be? [words indistinct] Only one word.

[Castro] One word. Optimum!

[Unidentified speaker] Why optimum?

[Castro] You said only one word. [laughs]

[Unidentified speaker] Yes, but now we want to know why.

[Castro] Why? I explained it in my speech. The people's spirit, talent, patriotism, enthusiasm, ideas, the capacity to express themselves and communicate their ideas in words, verses, and songs are all marvelous. I can easily say it was optimum. I would say the congress was marvelous. It impressed me much more than many events.

Lately I have been in many different events. All these events were impressive. I was impressed with the party congress and the labor union meeting. I was very impressed with the Pioneers congress. But this congress was something very noteworthy. Maybe this is why I said that when problems are greater and greater and the situation is more difficult, the people grow and express all their revolutionary, patriotic, and human qualities. They express it in a more eloquent and open manner. I believe this is the reason.

You are all very dedicated, but note that I said that when the situation returns back to normal, it will be impossible to see the reactions that we have seen here. Just like when there is peace [words indistinct] and the country has become a battlefield. Our youths, our students, and the delegates act as delegates in a battlefield, as soldiers on the battlefield. We have the satisfaction of having seen the best congresses. I do not know if there will be another in two or three years; it is difficult, but we will have passed the worst and will be remembering. [end recording]

Havana Party Plenum Discusses Self-Sufficiency

FL0912133491 Havana Tele Rebelde Network in Spanish 1200 GMT 9 Dec 91

[Text] The mobilizations for agriculture and the situation of livestock raising were two of the subjects analyzed during the fourth plenary meeting of the Havana

City Provincial Committee of the Communist Party of Cuba [PCC]. At the meeting, Jorge Lezcano, first PCC secretary for Havana City Province, repeated that Havana's population is basically self-sufficient in agriculture.

The delegates were told that 166 caballerias have already been turned over to important centers in Havana. This has not been well received by some organizations, according to what was said. Right now, work is being done to locate and plant plots so the populace can be self-sufficient. La Lisa is one of the most outstanding municipalities in this work, since it now has 1,189 areas that have been planted.

CTC Postpones Five Union Congresses

FL1012010891 Havana Radio Reloj Network in Spanish 2053 GMT 9 Dec 91

[Text] The National Secretariat of the Cuban Workers Federation [CTC] has carefully analyzed some of the main activities on the work programs of several unions for the coming year and the changes which have to be made due to the restrictions which have been imposed on the country and have brought about the special period. They evaluated the current difficulties with food supplies and transportation due to drastic reductions of foreign fuel shipments and other imports.

The situation is forcing the CTC and its unions to postpone five union congresses scheduled for 1992 until conditions improve. These congresses include the metallurgy and electronics, public administration, civilians of the Revolutionary Armed Forces [FAR], culture, and health workers. Some of these congresses had already elected their delegates or have been convened just a few days ago.

The CTC National Secretariat also analyzed the possibility of postponing or not the Education, Science, and Sports Workers Congress scheduled for 20-22 December. Nevertheless, given the closeness of the event and the fact that resources for transportation and other necessary arrangements have already been made, it was decided in this case to hold the congress as planned.

Besides, the education congress will compliment the analyses made by the Federation of University Students, held last year, and the recent Federation of Secondary School Students and Pioneers Congresses. They also recognized the need to support the Union of Young Communists [UJC] in efforts to organize their sixth congress. The austerity of the UJC congress is implicit in its goal to promote, among its members, collaboration, self-financing, and the housing of delegates in homes close to the event.

Independently from the fact that the labor movement is covering its expenses with their own resources, the decision to postpone the metallurgy and electronic congress, the public management congress, the civilians of the FAR congress, the culture congress, and health congress was made because in 1992 we will have to face an economic situation as tense or tenser than this year. In light of this reality, the unions adopt this decision as a patriotic gesture which will help to alleviate, although modestly, the difficult conditions we are facing.

Given the circumstances which make it impossible to hold, for now, these five congresses, and perhaps some of those scheduled for the following years, the CTC Secretariat and its unions propose to improve the processes and methods used in preparing for these events. They also propose to listen to opinions, hold discussions, and make suggestions as well as search for solutions to problems as though they were in the congress.

Inter-Caribbean

Caribbean Church Officials on Situation in Haiti

FL0912183691 Bridgetown CANA in English 1553 GMT 9 Dec 91

[Editorial from the Bridgetown BARBADOS ADVOCATE dated 9 December]

[Text] In a recent interview with the press, the Rev. Allan Kirton declared that if Jean-Bertrand Aristide is not returned to Haiti, the island is likely to suffer loss of life on an unprecedented scale.

That was the conviction of a three-member joint Caribbean Conference of Churches and World Council of Churches who published their findings after a seven-day mission to that unhappy country.

In addition, three organisations in St. Lucia have publicly expressed the view that the island should offer temporary shelter to those Haitians who were seeking escape from their strife-torn country.

Moreover, the Roman Catholic archbishop of Castries also declared that he felt strongly that the Caribbean governments should help the Haitian refugees in whatever way they can.

The situation in Haiti could not be more serious. The facts are clear to all. First, there was the overthrow of Aristide, the democratically-elected president of the country.

That was done by a meeting of Army officers. Two weeks later, this was followed by a meeting of non-commissioned officers who succeeded in destroying an imminent arrangement for the president's restoration.

The result was that the island was reduced to a state of virtual anarchy.

Haiti is clearly in a state of almost helpless anarchy, at the mercy, in the words of a commentator, of a rebellious, trigger-happy soldiery.

There are no means of self-salvation and, with Aristide not in the island; there are few, if any, men of stature to effect such a salvation.

According to an outstanding international newspaper called TABLET, Haiti must be rescued by others in a spirit of solidarity with its people.

The freely-elected president must be restored. He was selected for that post by a thumping majority. And, if that can only be done by force of arms, the means for such force must be supplied.

Some of the small islands have offered to help Haiti. That is extremely laudatory. But in the words of one authority, the instrument to save Haiti is the Organisation of American States.

At one time the UN Security Council failed in a similar test because China and India feared that Tibet and Kashmir would undergo UN intervention in their problems.

On the other hand, the OAS belied its reputation for inertia, with the United States playing an encouraging part as interventionist-in-chief.

Since then the OAS has declared itself ready to adopt measures that could deal with any steps that sought to achieve any unconstitutional seizure of power.

Aristide has the authority of being the democratically-elected president of Haiti. According to a keen observer, he had the legitimacy, acute in Haiti's history, of decisive democratic election.

Further, it can be claimed, he kindled the hopes of the poor, i.e. the larger part of the people, who had been abused, exploited and disregarded by their rulers for as long as any of them could remember.

In other words, Aristide began to serve the interest of the poverty-stricken and to rid the administration of the deep-seated corruption that needed to be cleared.

Aristide must not remain an exile in a foreign land. He must be returned to Haiti.

OAS Official on Haitian Refugees, Embargo

FL0912204291 Bridgetown CANA in English 2049 GMT 7 Dec 91

[Text] Roseau, Dominica, Dec 7, CANA—Negative portrayals of the Haitian people fleeing their politically troubled country are hampering international efforts to assist them, a senior Organisation of American States (OAS) official has said here. OAS assistant secretary general, Christopher Thomas said media claims that 10 percent of the Haitians held at the American Naval Base at Guantanamo Bay in Cuba had tested positive for the AIDS virus and that some practised voodoo were forcing states to refuse Haitian refugees.

"I've seen and read of these portrayals. I think it's unfortunate. Each country however has to make its own decision as to the terms and conditions under which it receives refugees.... an international (media) portrayal of that kind is not likely to help in the acceptance of refugees by individual countries," he said.

Haitians have been fleeing their country in hundreds following the September 30 coup against President Jean-Bertrand Aristide, the first democratically elected head of government there.

Thomas, accompanied OAS advisor Dr. Michael Alleyne, is visiting a number of Caribbean states briefing regional governments on the OAS initiative to end the political turmoil in Haiti. He told reporters that the response by some Caribbean governments to a United States request to accept Haitian refugees was encouraging. Dominica recently announced that it was not accepting refugees because of a housing shortage.

Thomas said that the OAS trade embargo against Haiti was beginning to be effective.

"The situation as we understand it is that there are hardships being experienced by the rank and file of the Haitian people as a result of the embargo.... (but) there is a continued insistence or intransigence by the Army in relation to the present situation, authority structure in the country," he said.

Barbados

Cuban Central Bank Official Ends Visit

FL0912172491 Bridgetown CANA in English 2119 GMT 8 Dec 91

[Text] Bridgetown, Barbados, Dec 8, CANA—A leading Cuban economist and official of the Central Bank of Cuba leaves here on Monday after a week-long programme organised by the Caribbean Development Bank (CDB).

Dr. Sergio Plasencia Vidal's visit followed directly from last September's official visit to Cuba by a delegation from the CDB headed by President Sir Neville Nicholls.

The CDB and the Cuban Central Bank are exploring "ways and means of widening our relations through exchange visits and sharing of information," said Dr. Plasencia.

The 50-year-old economist, a founder member of the Association of Caribbean Economists (ACE), has been functioning as chief of the Department of International Economics of the Central Bank of Cuba for the past five years.

Previously, he was an economist with 20 years service with Cuba's Central Planning Agency.

Plasencia told CANA his week with the CDB "was most useful from a personal professional point of view and in the knowledge gained for improving institutional relationships".

His CDB-organised programme also included meetings with the Barbados Central Bank, Caribbean Tourism Organisation, Caribbean Conservation Association, and the Barbados Sugar Industry.

The Cuban Bank official said it was "a good opportunity to learn at first hand how sound a banking institution is the CDB and of the vital role it is playing in the process of regional economic integration".

He said although the Central Bank of Cuba was not a member of the CDB, there was "an increasing informal relationship which also permits us to be invited to annual meetings of the CDB".

Dr. Plasencia said from his assessment, there were some projects of the CDB that Cuba "could support without being a member".

CDB President Nicholls said he was pleased that the programme visit of Dr. Plasencia took place so that Cuba's Central Bank could "have a much better understanding of how we operate as a regional institution".

'Solidarity With Cuba Conference' Held

FL0912172391 Bridgetown CANA in English 1920 GMT 8 Dec 91

[Text] Bridgetown, Barbados, Dec 8, CANA—Cuba's campaign to end the economic blockade imposed against it by the United States 32 years ago, received support at a regional gathering here on Saturday.

The one-day "Solidarity with Cuba Conference", organised by the Pan-African Movement of Barbados (PAMOB), involved delegations from the Commonwealth Caribbean and national organisations in Barbados, one of the four Caricom [Caribbean Common Market] countries which jointly established diplomatic ties with Cuba in 1972.

Representatives of the embassy of the People's Republic of China in Barbados and the Americas Department of Cuba's Communist Party were also in attendance for the solidarity pledges that came from a cross-section of church, youth, women, cultural and political organisations in Barbados and other Caricom countries.

The organisers said all three of Barbados's major political parties were invited but only one, the National Democratic Party (NDP), was represented.

Foreign Minister Maurice King of the governing Democratic Labour Party (DLP) regretted his inability to attend but extended best wishes for the conference.

It had to do, he said, with the right of a small nation to defend its sovereignty, develop its own social, economic and political systems, while respecting the rights of other nations.

Accusing the U.S. Government of behaving like a "bully", Antonio Blanco said the American Government had invested vast sums of money, including a media campaign, to discredit, undermine, and derail the Cuban Revolution.

Haiti

OAS Favors New Prime Minister Nomination

FL0912200091 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Dec 91

[Text] A OAS delegation arrived in Haiti on 5 December to further the negotiations which ended in a deadlock on 25 November in Cartagena, Colombia. This new delegation visiting Haiti is led by Mr. Ramirez Ocampo, former minister of foreign affairs in his country.

The delegation met with several sectors upon its arrival: the two parliamentary chambers; the Army; foreign ambassadors; human rights representatives; and other sectors effected by the current crisis facing the country.

What progress has been made in the negotiations to pull the country out of this situation? According to Mr. Ramirez Ocampo both sides agreed on a constitutional solution. According to the Colombian diplomat, they are now discussing the nomination of a new prime minister. In our previous newscast, we told you that Father Aristide even sent a list of 12 names that several parliamentarians did not approve. Is that the constitutional solution, ask several observers? In order to answer that question, we interviewed Deputy Dr. Gerard Evans Beaubrun.

[Begin recording] [Beaubrun] Well, the OAS came with a four-member delegation bringing along the files of where the meeting in Cartagena ended and where we are starting from there. That means, the meeting in Cartagena ended in a deadlock, no agreement was reached, as everyone knows. Mr. Ramirez Ocampo and three members of the OAS mission came back in order to pursue the negotiations. So we are working on the file and we are not alone. Mr. Ramirez Ocampo met with the Army. The Haitian Army is therefore an element in the evolution of these proceedings. Prime Minister Honorat is also part of the structure helping the process to move forward.

[Reporter Ferari] Let me get this straight. Mr. Ramirez Ocampo spoke of a constitutional solution. He also spoke of Article 137 and a possibility of the nomination of a new prime minister. How do you see that yourself?

[Beaubrun] A constitutional solution is essential for us because we are guided by the Constitution and we will not go beyond the Constitution. Now, regarding a prime minister based on Article 137, we are still speculating on the terms of Article 137, which is one of the structures that we are now experiencing in the Parliament. [end recording]

Conditions for New Prime Minister Listed

PA1012025391 Paris AFP in Spanish 2054 GMT 9 Dec 91

[Text] Port-au-Prince, 9 Dec (AFP)—Almost 50 Haitian congressmen (40 deputies and 9 senators) who favor the return of President Jean-Bertrand Aristide sent him a letter—a copy of which was delivered to AFP on 9 December—listing eight conditions for the appointment of a new prime minister.

The 49 congressmen believe that the new prime minister "should not be a member of the National Assembly or of the political parties responsible for the coup d'etat," but he should have good relations with the legislature.

In addition, "the new prime minister should inspire confidence in the people, the international community, the commercial and industrial sectors, the bourgeoisie, and the Army. He should also be a member of a party or a representative of a political front.

The signatories of the letter warned Father Aristide that "if the recommendations are not respected, the Chamber of Deputies will not ratify the new minister."

The appointment of a new prime minister is expected this week in Port-au-Prince as the first step toward solving the political crisis unleashed on 30 September when the Army overthrew President Jean-Bertrand Aristide.

Parliamentarians Visit Dominican Counterparts

FL0912211091 Port-au-Prince Radio Galaxie in French 1230 GMT 9 Dec 91

[Report by correspondent Harry Joseph from the Dominican Republic; italicized passages in Creole]

[Text] A Haitian parliamentary delegation arrived in the capital of the neighboring country the evening of Saturday 7 December in order to talk with several personalities of the Dominican commercial and political sector about some issues of great concern for the future of these two Caribbean Republics. The departure of this delegation, headed by Senator Dejean Belizaire, the president of the National Assembly, was not announced with great pomp. It left the Haitian capital on Saturday around 1430 under great secrecy.

According to Senator Serge Joseph, a member of this delegation, the mission of these parliamentarian is reportedly to reinforce the friendly ties between the two parliaments. Many people are wondering, however, whether this trip does not have a deeper purpose and whether it is not related to the recent visit in Port-au-Prince of Colombian Augusto Ramirez Ocampo. Let us listen to Harry Joseph, our correspondent in the Dominican Republic, for more details.

[Begin Joseph recording] *A Haitian parliamentary delegation headed by Senate President Dejean Belizaire and made up of four senators, including Dejean Belizaire, Bernard Sansaricq, Serge Joseph, and Ebrane Cadet arrived aboard two jeeps in the Dominican Republic on Saturday, 7 December via the Malpasse-Jimani Road for a 48-hour visit.*

In fact, it was 1830 when this delegation arrived in Duverge, a city located 45 km from Jimani, and was met by a delegation coming from the Dominican Republic composed of Mr. Paul Asselin, a former Haitian ambassador to the Dominican Republic, and Dr. Rodriguez Gullon, who is in charge of commercial relations at the Dominican Embassy in Port-au-Prince. The three vehicles arrived in the capital of the Dominican Republic around 2130. The delegation is staying at El Embajador Hotel.

That same Saturday night, in an initial working meeting, the senators met with Dominican Chamber of Commerce President Dr. (Cristobal Paulino Sam), who is also one of the officials of the Dominican telephone company, Codetel. Mr. (Paulino), whom we met after this working session, told us that they discussed the agreement of the Lome IV Convention that granted $120 million to the Dominican Republic and that an amount of $120 million, which was granted to Haiti, has been frozen because of the current sociopolitical crisis in Haiti. The senators did not want to make any statements. We have learned from a reliable source that the senators were supposed to meet with several officials of the Dominican Republic including Vice President Morales Troncoso and Pablo Herrera Cabral, deputy secretary of state for foreign relations, on Sunday 8 December. No meeting with President Balaguer has been scheduled.

Asked by Mr. Dimantel, an editor from the Dominican daily LISTIN DIARIO about the results of the negotiations that took place in Port-au-Prince with Mr. Ocampo, and whether the senators had chosen a prime minister, Senator Belizaire answered with a smile that the negotiations will continue and that he is very optimistic. He, however, added that the Haitian parliamentarians want to endow the country with a firm prime minister, a man of decision who can know when to say yes and when to say no and who can form a government of national union in order to unite Haiti's sons.

For his part, Senator Serge Joseph said the purpose of his visit in the Dominican Republic is to strengthen the friendly ties between the parliamentarians of the two countries.

On Monday, 9 December this parliamentary delegation is due to meet with some Dominican senators including Dominican Senate President Jose Osvaldo Leger. Afterwards, they will hold a news conference in the premises of the Dominican Senate around noon. As everybody knows, Radio Galaxie will be there, and we will inform you of what is said. Tomorrow at 1500, the Dominican Senate will meet to name a delegation to pay a reciprocal visit to Haiti.

For the moment, that is all we can tell you about the visit. Right after the news conference, we will call you to let you know how the situation is in Santo Domingo. This was a report by Harry Joseph for Radio Galaxie in the Dominican Republic.[end recording]

Costa Rica

Assembly Approves Budget Draft After Debate

PA0712034691 San Jose LA NACION in Spanish 28 Nov 91 p 6-A

[Report by Nelson Murillo]

[Text] After debating, at 1855 on 27 November, by a vote of 27 in favor and 13 against, the Legislative Assembly approved the central government's extraordinary 1992 budget draft, which totals 149 billion colones.

The draft was approved by 25 Social Christian deputies and two legislators from minority parties: Carlos Fernandez of the Generalena Union (PUGEN), and Jorge Rodriguez of the Cartago Agricultural Union (PUAC).

The plan was rejected by all 12 National Liberation Party [PLN] legislators, and by Rodrigo Gutierrez of the United People's Party.

The deputies of the ruling and opposition parties disagree on the expense plan's deficit; the former group arguing that it comes to 50 billion colones, as then Finance Minister Thelmo Vargas admitted a few weeks ago, but the PLN members insisting that the deficit is 65 billion colones.

For example, Deputy Alejandro Soto of the opposition said that the draft includes a series of unbudgeted expenses, such as the government employees' salary reevaluation, the teachers' raise (in the second half of 1992), an additional transfer of 2 billion colones to the Higher Education Fund, and the provision of 1.3 billion colones to the Housing Mortgage Bank (BAHNVI).

Legislative Assembly President Miguel Angel Rodriguez, a member of the Social Christian faction, however, explained that the "unfinanced deficit" could reach 15 billion colones if a series of adjustments are made, such as an "automatic" subimplementation of the budget for 7 billion colones; amortization of 7 billion colones to the domestic debt; and collection of 6 billion colones from the tax imposed on the Tax Credit Certificates (CAT).

He added that to achieve this, we must include the redistribution of funds generated by the tax on banana exports, the regulation of the pension plans (the teachers' association plan has already been reformed), the elimination of exemptions (the bill is currently being discussed in a commission), and the possible sale of 15 billion colones in bonds to compensate for the depreciation in the value of the domestic debt for inflationary reasons.

Rodriguez pointed out that the controversial initiative was approved during yesterday's (27 November) regular session (before 1900) since there was no need to hold sessions until midnight, as has happened on previous occasions because—according to him—the different factions "are trying to work constructively so that the effort is not in vain."

Opposition legislators Federico Vargas and Alejandro Soto announced that they will ask their faction to reconsider their position with regard to negotiating nine bills that were submitted by the executive branch intended to "clean up" public finances and circumvent privilege now that President Rafael Angel Calderon has told the country that the economy has shown improvement and that, consequently, "we are entering the reactivation stage."

They said that the economic situation is not yet showing signs of improvement because the president made forecasts for 1992, but Legislator Roberto Tovar, head of the ruling party faction, said that the balance of payment deficit has been reduced (he gave no figures) and added that a reduction in the number of devaluations is expected for next year because imports have decreased.

El Salvador

Recess in Peace Talks Reportedly Requested

PA1012044491 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Dec 91

[Text] The government delegation to the peace talks with the guerrillas has requested a recess beginning 10 December, a rebel source said in Mexico on 8 December.

In statements to the media, guerrilla commander Roberto Canas said that the government made this request to make consultations on certain issues discussed during the negotiations that began on 25 November in San Miguel de Allende.

He pointed out that in view of UN Secretary General Javier Perez de Cuellar's request to transfer the peace negotiations to New York, the Farabundo Marti National Liberation Front's delegation will travel to that city on 15 December.

Canas confirmed that they had prior knowledge of that proposal and reaffirmed the guerrillas' determination to sign a definitive cease-fire before Christmas. He added that in New York both delegations will refine the text on points not yet agreed on at the negotiating table.

Delegation to Cuba Seeks Return of Former Rebels

PA0912165791 Panama City ACAN in Spanish 0131 GMT 7 Dec 91

[Text] San Salvador, 6 Dec (ACAN-EFE)—A Salvadoran Government delegation on 6 December traveled to Cuba on a four-day visit during which they will seek the return of approximately 300 disabled former rebels, official sources have reported.

The delegation is led by Legislative Assembly deputies Raul Pena and Julio Gamero, both from the Nationalist

Republican Alliance (ARENA, right wing) ruling party, as well as by Hector Silva from the left-wing coalition Democratic Convergence (CD, opposition).

The delegation was accompanied by representatives of the Central Electoral Council (CCE) and of the Salvadoran immigration department.

The delegates of Alfredo Cristiani's government will see for themselves the physical and psychological state of the former Farabundo Marti National Liberation Front (FMLN) rebels who have asked to return to their country to join civilian life.

The delegation will request the corresponding visas in Mexico, from where they are expected to travel to the Caribbean island on 7 December [date as received].

The disabled war veterans, who have been taken in by Fidel Castro's government since the mid-1980's, have received medical attention and have been trained in different production occupations, according to a humanitarian organization.

No date has been fixed for the return of the disabled former rebels. They are not expected to encounter legal problems in returning to El Salvador because of the general amnesty decree approved during the administration of the late President Jose Napoleon Duarte.

Poll Indicates Worsening Economic Situation

PA0712234391 San Salvador Radio Cadena YSU in Spanish 1800 GMT 5 Dec 91

[Report by Julio Ernesto Rodriguez]

[Text] According to a survey done by the Institute of Public Opinion [IUOP] of the Central American University [UCA], 65 percent of the people polled—six out of every 10 Salvadorans—believe that the economic situation in the country is worse than a year ago. Also, 44 percent of the people believe that privatization, instead of serving as a pillar upon which to rebuild the economy, will only make it worse, while six out of 10 Salvadorans say that this measure will only benefit the government, private enterprise, and certain privileged groups.

The Catholic University did its nationwide study through the IUOP. The questionnaire reached 1,243 people of different social backgrounds in 12 of the 14 departments. The study, the purpose of which was to evaluate the economic situation and the peace process, indicates that the majority of Salvadorans are more interested in solving the economic problems than finding an end to the war, problems such as the regulation of staple product prices.

Approximately eight out of 10 Salvadorans want the government to intervene to regulate the price of staple products.

[Begin recording of unidentified UCA spokesperson] The first question was: Do you believe that the economic situation of the country is better, equal, or worse than a year ago? We had 65 percent—two-thirds of the population—who said that it is worse. Only 21 percent said that it is equal, and just 11.6 percent said that the economic situation is better.

After this, we asked the people: Do you think that the country's problems will be solved, remain the same, or get worse with privatization? Here the people's opinion was also quite negative, as 44.2 percent said that the country's problems will become worse with privatization. That means that a little less than half of the population said that the country's economic situation will worsen with privatization. About 20 percent said that the problems will remain the same, despite privatization, and only 16.3 percent feel that privatization can solve the country's economic problems.

We then asked the people what sector they believe will benefit the most from privatization policies. Close to 46.8 percent said capitalist, or the private and privileged sectors. This means that there is the perception that the government's economic policy is directed toward favoring the economically powerful sectors.

Worthy of mention is the fact that, for the first time, the people have listed the government as one of the beneficiaries of its own privatization policy. After mentioning the powerful capitalist sectors first, 14.3 percent then said that it is the government that will benefit more from the privatization policy.

Another issue on which we asked a few questions is the cost of living. This is where the damage and the effects of the government's economic policy are really felt. The first question on the cost of living was: What have you seen happen to the prices of basic necessities? Have they gone up excessively, considerably, little, or very little? As you can see, there are four options for the people to choose from and 67 percent said that the prices of basic necessities had gone up excessively. For 20.9 percent of those polled, prices had gone up considerably. When we add those who said prices had gone up excessively and those who said considerably, we find that approximately nine out of 10 Salvadorans say that the cost of living has risen far too much. For every Salvadoran who said that the cost of living had gone up little or very little, there are nine who said that it had gone up excessively. Therefore, nine out of 10 Salvadorans say that their salaries are not enough or are hardly enough to cover their family expenses. [end recording]

Despite the fact that 71 percent of those polled know about the New York Agreements, which were signed between the government and the Farabundo Marti National Liberation Front [FMLN], only 32 percent agree that peace can be attained based on those accords. Meanwhile, 51 percent are skeptical about peace being at hand, i.e. they do not believe that peace will come soon. It is important to point out that the Salvadoran people would like to see substantial economic reforms discussed at the peace negotiations. A total of 30 percent of those

polled believe that the conflicting parties should thoroughly discuss the economic issues.

[Begin spokesman recording] What is the most important issue to be solved by the negotiations? Here again, much to our surprise, it was not a political or military issue as we, as social researchers, had expected. We were perhaps blinded by the propaganda in the media about the political, military, and ideological problems.

The answer we heard the most as to what the main topic for the peace negotiations should be was: economic reform. This is something that the media and the negotiators have abandoned at the table. A total of 30 percent of those polled said that the most important topic to be discussed at the negotiating table is economic reform, which demonstrates the serious economic condition of the people. The most urgent issue to resolve, as far as the people are concerned, is their serious economic situation.

In addition, 16.7 percent of the people said that the most important issue at the talks is the transition of the FMLN into civilian life. The issue of Armed Forces reduction was selected by 13.5 percent of those questioned and 10 percent called for a purging of the Armed Forces. Thus, 23.7 percent believe that the most important issue in the negotiations is the Armed Forces. This is higher than those who see the transition of the FMLN into civilian life as the most important topic. [end recording]

Another topic covered by the survey was the U.S. military aid to El Salvador. A total of 46 percent said that it should be eliminated and 31 percent wanted it to continue. However, 16.2 percent said that they did not know or did not answer at all.

Other aspects, such as health, have worsened according to 42 percent of the people polled. Education, said 17 percent, has also worsened. The supply of basic grains has deteriorated this year, as 55 percent of Salvadorans said.

Guatemala

New Defense Minister Calls Insurgents to Talks

PA0712230591 Mexico City NOTIMEX in Spanish 2113 GMT 7 Dec 91

[Text] Guatemala City, 7 Dec (NOTIMEX)—New Guatemalan Defense Minister Jose Domingo Garcia Samayoa today urged the insurgency to "retake the path of dialogue and reason" and to sign an agreement for total peace.

In his first statements as minister after assuming his post on 6 December to replace General Enrique Mendoza, Garcia Samayoa voiced the Army's "wish" to "establish a frank and sincere dialogue to end the fighting."

The Guatemalan National Revolutionary Unity (URNG) "must understand that its struggle has no reason to exist because the communist system collapsed and given way to authentic democracy," Garcia Samayoa said.

The new defense minister assumed his post during a ceremony to mark the 70th anniversary of the founding of the Guatemalan Air Force.

Also appointed were a new Army chief of staff, Brigadier General Jorge Roberto Perussina to replace Edgar Augusto Godoy Gaitan, and a new Army deputy chief of staff, Brig. Gen. Mario Rene Enriquez Morales.

Garcia Samayoa, a brigadier general who graduated from the Polytechnic Military School, said that the guerrillas' threats to carry out military offensives to seize power by force are "out of place and not in keeping with reality."

He described the statements by guerrilla Commander Pablo Monsanto as "pieces of bravado that are outside the framework of reality and feasibility."

Monsanto had said that should negotiations with the government of President Jorge Serrano break up, the URNG would intensify its actions and reach power through arms.

The defense minister warned that should the URNG carry out new offensives "it will not even be able to enter one centimeter of Guatemalan territory because the Army, in compliance with the Constitution of the Republic, will defeat them, as it always has.

Defense Minister Changed Due To 'Reorganization'

PA1012034391 Guatemala City PRENSA LIBRE in Spanish 7 Dec 91 p 3

[Text] On 6 December, the Presidency's Public Relations Secretariat confirmed the removal of Defense Minister General Enrique Mendoza Garcia and Army Chief of Staff Gen. Edgar Augusto Godoy Gaitan.

Brigadier Gen. Jose Domingo Garcia Samayoa replaced Mendoza Garcia and Gen. Jorge Roberto Perussina Rivera replaced Gen. Godoy Gaitan. Gen. Mario Rene Enriquez Morales replaced Gen. Garcia Samayoa as Army deputy chief of staff.

The state press office confirmed that these changes are part of an internal reorganization plan that the government is implementing as the end of the year draws closer. President Serrano ordered the ministerial change.

The new Defense Minister Gen. Garcia Samayoa is one of the Army commanders involved in a peace dialogue with the Guatemalan National Revolutionary Unity. Moments before taking over, he told journalists at Guatemalan Air Force installations that the guerrillas are out of place, because they aim to reach power through an armed struggle, as guerrilla leader Pablo Monsanto stated.

The Presidency's Public Relations Secretariat, which is under Gonzalo Asturias Montenegro, stated that the changes are part of a reorganization plan.

Government Dialogue Commission Official on Talks

PA0912223891 Guatemala City PRENSA LIBRE in Spanish 6 Dec 91 p 4

[Text] Manuel Conde Orellana, president of the government dialogue commission, hinted that the government believes it will be difficult to restart peace negotiations with the URNG [Guatemalan National Revolutionary Unity] this year. The talks will probably continue in the early days of 1992.

Conde Orellana hinted that Monsignor Rodolfo Quezada Toruno, president of the National Reconciliation Commission, is trying to restart the talks before the end of the year. There was an impasse after the last meeting held in Mexico when the URNG voiced complaints to the Guatemalan Government and requested retroactive investigations of human rights violations.

The president of the government dialogue commission believes that the URNG's lack of flexibility was expected because the topic of human rights includes a number of aspects that must be carefully considered by both parties.

Through Commander Pablo Monsanto, the URNG advised that if the peace talks fail, they will conduct a broad offensive to seize power through force. President Serrano answered the rebel warning by saying that his government is pacifist and is willing to continue the talks at anytime.

Serrano criticized Monsanto for his belligerent attitude and urged him to continue the peace talks because "the rebels have failed in their attempts to attain power through the armed struggle."

Conde Orellana hinted that the talks are advancing and have not failed as some sectors want to make the people believe. What is happening is that the topics being discussed demand broad debate and profound reflection because we are trying to end 30 years of armed struggle, which have brought mourning and pain to Guatemala.

Conde Orellana stated that the government is getting ready to restart the talks at anytime. Our side has always shown goodwill and will continue to do so as long as the dialogue proceeds to search for feasible solutions to end the armed conflict.

Guerrillas Occupy Town, Take Hostages

PA0912235191 Mexico City NOTIMEX in Spanish 2259 GMT 9 Dec 91

[Text] Guatemala City, 9 Dec (NOTIMEX)—On 8 December, Guatemalan guerrillas occupied the town of Santa Elena Barillas, 21 km south of the capital, official sources have reported.

The Army reported that during the action, the guerrillas attacked a police substation, seized weapons, and took five policemen hostage.

The Army Information Office reported that the guerrillas painted "slogans" and distributed propaganda material among the town residents.

Other sources noted that at least 70 rebels of the "Guatemalan National Revolutionary Unity" (URNG) attacked the National Police headquarters and restrained policemen, but there were no reports of dead or injuries.

While a guerrilla group held a rally with the town residents, another group distributed antigovernment propaganda and painted slogans on the walls of houses and business establishments.

This prompted the Army's arrival on the scene with armored vehicles, but the rebels had already left town. The troops then began a search operation in the mountain region.

The inhabitants of Santa Elena Barillas expressed the fear that possible clashes between Army columns and guerrillas might disrupt the prevailing calm in this town close to the capital.

Guerrilla incursions in towns close to the Guatemalan capital are occurring at a time when Rodolfo Quesada Toruno, president of the National Reconciliation Commission, and UN Observer Francisco Vendrell are studying the proposal for resumption of talks between the two parties before the end of the year.

Nicaragua

Violence Could Drive OAS Delegation Out

PA0912162591 Managua Radio Sandino in Spanish 1200 GMT 6 Dec 91

[Text] The violence in the country obstructs the work being done by the OAS International Commission of Support and Verification [CIAV-OAS] and the organization may leave Nicaragua. The Nicaraguan Government has received hints that the CIAV-OAS could leave the country in the near future.

CIAV-OAS Director Santiago Murray said during a news conference that members of the organization have been threatened and that these threats obstruct the organization's work. He said that the organization is holding consultations with the government concerning the atmosphere of uncertainty in which the CIAV-OAS works because the immunity of its officials has been violated.

Murray added that incidents have occurred at police road blocks. He also mentioned the kidnapping and assassination of a crippled fighter who was being transferred by the CIAV-OAS to a hospital in Matagalpa. This

incident occurred in El Jobo, Matagalpa Department, on 28 November when a group of armed men attacked the organization's vehicle.

Murray summarized the organization's work for the past two years, mentioning the demobilization of 22,000 former resistance members and the repatriation of 18,000 refugees from Honduras and Costa Rica.

Two 'Recontra' Group Forces Clash; Five Die

PA0612170491 Managua BARRICADA in Spanish 5 Dec 91 pp 1, 8

[Report by Tatiana Rothschuh]

[Text] Juigalpa—Five recontras died, three were captured, and one child was wounded in an armed clash between forces headed by Rojito and El Indomable [Jose Angel Moran Flores] that took place near Los Chinamos hamlet, 16 km northeast of Santo Domingo Municipality, Chontales Department.

The Santo Domingo Municipality police traveled to Los Chinamos on 3 December after receiving a report from National Opposition Union little mayor [alcaldito] Tomas Rocha. According to police sources, Rocha said that a group of men came to the area and attacked Rojito's recontras.

Rojito's recontras reportedly intended to disarm some of El Indomable's men who had entered the area, and this caused a violent clash.

Rojito's recontras are in the area, described as an enclave, for the negotiations with government authorities.

Recontra rank and file claim that the armed clash on 3 December is due to differences between El Indomable and Rojito.

Rojito belonged to El Indomable's troops when the rearming began, but Rojito subsequently left to lead about 30 men. He has operated outside any dialogue or negotiating process since then.

Region Five Police Commander Francico Cuadra said that it has been established that the fighting began due to differences between the two rebel leaders.

The five recontras killed were identified with the pseudonyms of Nelson, Punche, Henry, Pajarillo and Guaquiue, whose name is Salvador Gutierrez Vega. They all belonged to El Indomable's ranks.

Police reported that Rojito captured Golondrina, Chocoyo, and Whiskey, who are still being held at Rojito's command post in El Ayote.

The police chief said that Rojito refused to hand over the captured recontras. Cuadra said that the police will get the recontras handed over if there are pending criminal charges.

Cuadra said that Fernando Rodriguez Miranda, 13, was wounded during the fighting. He was transferred to Camilo Ortega Hospital in Juigalpa.

Commander Cuadra said that in view of the wave of criminal, vandal, and terrorist activities over the past few days, the police will begin widespread surveillance and patrol of the main roads in the region.

Labor Minister Reports Unemployment Statistics

PA0612191891 Managua Radio Sandino in Spanish 1236 GMT 1236 GMT 4 Dec 91

[Text] Nicaraguan Labor Minister Francisco Rosales has reported that there are 740,000 people without a steady job in Nicaragua. This figure is equivalent to 53 percent of the work force in the country. He also said 13.6 percent are totally unemployed, and 40 percent work part-time or whenever they find something to do. Rosales said it is difficult for the government to solve the unemployment problem because of the periodic demand for the work force as a result of agricultural production conditions in the country.

Unemployment was estimated at 44 percent when President Violeta Chamorro assumed office. The government's policy to reduce public expenditures in order to avoid inflation has reduced the working expenses of the state.

Poll Conducted on Government's Popularity

PA0612213391 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 4 Dec 91

[From the unofficial "Extravision" newscast, directed by Manuel Espinoza, former information minister under the Ortega administration]

[Text] The Sandinist National Liberation Front [FSLN] is still the largest political force in Nicaragua.

The Sid Gallup firm asked the Nicaraguan people: What political party do you support or are you a member of? The answer was: FSLN, 26 percent; National Opposition Union, 20 percent; Independent Liberal Party, 6 percent; Conservative Party [which one not specified], 3 percent; and other, 3 percent. A high percentage of people were undecided: 41 percent. [figures as heard]

The firm also asked if Violeta Chamorro should discharge or keep General Humberto Ortega as chief of the Army. The answer was: keep him, 44 percent; discharge him, 40 percent.

Was President Chamorro's veto of Law 133, which had been approved by the National Assembly, good or bad? Sixty percent of the Nicaraguan people said it was good while the other 40 percent said it was bad.

The most popular ministers were: Antonio Lacayo, 21.6 percent; Ernesto Salmeron, 12.8 percent; Humberto Belli, 3 percent; and Gen. Humberto Ortega, 1.6 percent.

The most popular political personalities were: Violeta Chamorro, 59 percent; Cardinal Miguel Obando y Bravo, 53 percent; Antonio Lacayo, 45 percent; Sergio Ramirez, 41 percent; Commander Daniel Ortega, 40 percent; and Gen. Humberto Ortega, 40 percent.

Among Sandinists, Commander Daniel Ortega was still the leader, with 85 percent, followed by Sergio Ramirez.

The most unpopular were: Alfredo Cesar, 42 percent; Virgilio Godoy, 41 percent; Arnoldo Aleman, 34 percent; and Asucena Ferrey, 22 percent.

Panama

Attorney General Requests Return of Photos

PA1012043091 Panama City LA PRENSA in Spanish 9 Dec 91 p 32A

[Article by Vilam E. Figueroa B.]

[Text] On 8 December, Attorney General Rogelio Cruz stated that U.S. authorities must return photographs they took because, even though Judge William Hoelever demanded the material be sent to Miami, the photographs do not have any legal relevance to the trial against Manuel Antonio Noriega for drug trafficking.

Cruz said that the intention of Noriega, who asked his lawyer Frank Rubino to have the photos sent to Miami, was to use this material as blackmail against other Panamanians.

The attorney general said that U.S. authorities requested Panama's authorization to take the photographs that were among the 15,000 boxes containing all the information found in the G-2 [intelligence] offices of the defunct Panama Defense Force. Nevertheless, before the Panamanian authorities could reply, the photographs, "allegedly by error," were sent without authorization.

"If it was an error, they should return those photographs because they have no legal relevance to the trial. Noriega lies when he claims that the photographs will be proof of his whereabouts during his regime. What Noriega wants to do is to blackmail and intimidate the persons who participated in these actions, which will be considered as immoral," Cruz stressed.

Cruz added that Noriega's strategy is to "involve everyone," and that all those who participated in those activities are corrupt.

The official disclosed that among the photographs there is material that implicates persons in activities that could be considered immoral, although not illegal. The attorney general said that among these were photographs of nude women, orgies, and other immoral activities, stressing that only those who participated in these acts know that these photographs exist as Noriega had a "file" on everyone, including his own family.

Moreover, Cruz disclosed that in Panama there are persons who talk with former General Manuel A. Noriega on a weekly basis, among them, a Democratic Revolutionary Party legislator, whose identity he did not disclose.

Cruz said that Noriega tells his friend that as soon as he gets out of there—the Miami jail where he has been detained since he surrendered to U.S. authorities after the U.S. invasion on 20 December 1989—he is going to "screw [joder] a few people."

Suit Filed Against U.S. for Invasion Damages

PA0912194891 Panama City LA PRENSA in Spanish 7 Dec 91 p 2a

[Article by Jose Quintero de Leon]

[Text] A suit has been filed by the People's Human Rights Commission (Copodehupa) against the United States for damages inflicted on 70 Panamanian civilians who were victims of the 20 December 1989 military invasion.

The lawsuit was filed with the Inter-American Human Rights Commission of the OAS through its Constitutional Rights Center headquartered in New York.

According to the document, the invasion caused the civilians to suffer the death of their relatives, injuries to themselves and their relatives, and the destruction of their homes and property.

Rosaura Moreno, an official from the Copodehupa Complaint Commission, pointed out that the purpose of the suit is to get the Human Rights Commission to confirm that the United States violated international law and the human rights of the petitioners with its intervention into Panama.

Moreover, petitioners want the Complaint Commission to declare the United States responsible for the lives lost, the physical and emotional stress inflicted on Panamanian civilians, and the destruction of homes and private property during the invasion.

The suit asks that the United States compensate Panamanians for the damages inflicted and that a thorough and independent investigation be conducted to determine a fair amount of compensation to the victims.

Minister on U.S. Cooperation Against Drugs

PA0912205491 Panama City LA PRENSA in Spanish 8 Dec 91 p 36A

[Report by Elio A. Rujano M.]

[Text] Government and Justice Minister Juan Chevalier has expressed his satisfaction over the cooperation and aid given by U.S. authorities to Panama in the struggle against illegal drug trafficking but has added that a lot remains to be done.

Chevalier talked about approaching the United States to obtain the resources that Panama needs to fight drug trafficking. He said that the cooperation between Panama and the United States in the struggle against drug trafficking is very important because it is a problem that the two countries share.

He added that the final destination of the drugs is the United States and that Panama is nothing more than a stopover.

"I am not one of those who believe in a romantic and sentimental nationalism that leads nowhere, except to frustration and sorrow," Chevalier said, adding that he believes in international cooperation and in unity among men.

Chevalier made these statements during a ceremony to place a cornerstone for a new wing at the Juvenile Court branch in Tocumen, which is headed by Judge Elsa Mendez de Garcia.

The U.S. Government has installed an aerostatic balloon to detect boats and aircraft that covers the area between the Costa Rican border and the Azuero Peninsula. That area is used by drug traffickers for sea drops that are later picked up in boats and taken to the coast, where the drug shipments then continue north.

The United States has also lent Panama a radar airplane for a limited time to detect the movements of boats and aircraft, the minister said. Perhaps the most important donation was a U.S. Coast Guard boat that has been baptized "3 November," he added.

The government and justice minister also received a $2 million appropriation from the Comptroller General's Office of the Republic to repair three abandoned patrol boats that were left by the previous regime.

In this way Panama has proved to the United States that it is willing to use its own resources to fulfill its pledges, the minister said.

Chevalier said that U.S. authorities have promised to donate another Coast Guard boat before the repairs on the patrol boats are completed. The new boat will be baptized "28 November."

Argentina

Cooperation With UK in South Atlantic Announced

PY0912172891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1429 GMT 9 Dec 91

[Text] Buenos Aires, 9 Dec (NA)—Argentina and the United Kingdom have agreed to form a high-level group to investigate the possibilities of cooperating over the exploitation of the continental shelf in the South Atlantic. This was jointly reported today by both foreign ministries after a meeting between officials of the two countries to review the impact of the legislative measures on the continental shelf.

The Argentine delegation, headed by Ambassador Fernando Petrella, the Foreign Ministry foreign policy director general, met with ambassador Adrian Beamish, the Foreign Office [two preceding words in English] assistant under secretary, in London.

The official communique states: "The officials conducted a preliminary exchange of viewpoints on these issues, exchanged information on the aforementioned legislative measures, and agreed that the high-level group will meet in Buenos Aires in February 1992."

It was indicated that the meeting was held under the sovereignty umbrella contained in the joint declaration released in Madrid in October 1989 by which the contents of the meeting will not alter the sovereignty claims of the two countries to the South Atlantic islands.

Menem To Sign Vienna Nuclear Safeguard Treaty

PY1012011691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2321 GMT 9 Dec 91

[Text] Buenos Aires, 9 Dec (NA)—President Carlos Menem will travel on 12 December to Vienna, Austria. In Vienna, Menem and Brazilian President Fernando Collor de Mello will sign a nuclear safeguard treaty with the International Atomic Energy Agency [IAEA].

Menem is scheduled to leave Vienna on 15 December directly for Brasilia where he will hold a two-day meeting with his colleagues from the Mercosur [Common Market of the South]. During that meeting the Mercosur presidents will discuss regional issues.

The announcement about Menem's unscheduled trip to Europe was made tonight by presidential spokesman Humberto Toledo. Toledo said that the Argentine and Brazilian Foreign Ministries had reached an agreement to sign the treaty now instead of next year as it was originally thought.

Toledo said that Menem had decided to set ahead the signing of the agreement, because Collor de Mello is scheduled to leave tonight for Vienna on an official visit. Menem will arrive in Vienna on 13 December to sign the Argentine-Brazilian agreement with the IAEA. He will stay in Vienna until 15 December when he is scheduled to fly to Brasilia.

In Brasilia, Menem, along with President Collor de Mello, from Brazil; Andres Rodriguez, from Paraguay; and Luis Alberto Lacalle Herrera, from Uruguay, will meet on 16 and 17 December within the framework of periodical Mercosur negotiations.

Presidential spokesman Humberto Toledo noted that through the agreement, the two countries seek "to lend transparency to their nuclear programs." The two countries signed a nuclear agreement at the bilateral level some time ago.

The Vienna agreement will be signed between Argentina, Brazil and the IAEA, which is in charge of overseeing the peaceful use of nuclear energy worldwide.

Toledo also stressed "the international importance" of the agreement to be signed in Vienna. He added that in its last meeting in London, the Group of Seven had written an entire paragraph in its last document praising the nuclear agreement achieved by Argentina and Brazil.

Minister on Relations With EEC, New Ambassador

PY1012012691 Buenos Aires LA PRENSA in Spanish 7 Dec 91 Section Two p 5

[Text] Deputy Foreign Minister Juan Carlos Olima has stressed that the improvement of relations with the EEC "reflects the slow disappearance of the political consequences of the Malvinas War."

In a chat with journalists accredited to the Foreign Ministry, Olima stressed that "we have overcome the bogies" that originated with the armed conflict over the Malvinas "without relinquishing the demand for sovereignty over the South Atlantic Islands, the agricultural subsidies that are applied by the EEC, and the customs barriers that prevent the free access of Argentine products."

The deputy minister especially referred to the carrying out in Buenos Aires of the first meeting of the Argentine-EEC joint commission, which concluded on 6 December, and to the forum on privatization held recently in Brussels "with very important results for our country," he said.

He also announced that for the first time our country will have an EEC ambassador, while neighboring countries such as Brazil and Uruguay have had an EEC ambassador for 10 years. The new ambassador, Dieter Oldekop, has already presented his credentials.

He called "very important" the visit of some 20 EEC representatives, "who are very impressed with the changes that have occurred in the country from an economic viewpoint, and also with the mentality of the people."

Referring to the recent forum on privatizations in our country organized by Ambassador Diego Guelar in Brussels, Olima indicated that "it was a success because 200 businessmen from all over Europe participated and they expressed interest in participating financially in the process."

Asked about the president's future trips, Olima said that "for the first time the Foreign Ministry has been working for at least a month on planning 1992 presidential trips abroad." He added that "this ministry wants to submit a tentative agenda to President Menem before the end of the year." The agenda must be adjusted as circumstances dictate, because several foreign chiefs of state plan to visit.

The celebrations honoring the 500th anniversary of the discovery of America; a meeting of Mercosur [Common Market of the South] presidents; two meetings with his Brazilian colleague; and a meeting of the presidents of the Rio Group between 1 and 3 December in Buenos Aires are some of the president's commitments.

Menem Views Economy, Rejects Alfonsin's Criticism

PY0912192291 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 9 Dec 91

[Text] President Carlos Saul Menem has presided over the opening ceremony of a seminar on guarantees for investment. Journalist Pedro Leon covered the ceremony and recorded President Menem's comments:

[Begin recording] This is the ideal moment for the Argentine stock market to develop and improve its operations. The market's current function is to develop the capital market, which is one of the pillars of the national growth strategy. For many years, we endured bad economic policies and either kept our money hidden in our mattresses or took it to other international financial markets. That has changed and will continue to change. In a stable context, that ended the [interest] rate versus dollars game, and we Argentines are seeking new alternatives in which to invest our savings. In that regard, we are developing a capital market that allows us to attract this flow and orient it toward investment projects. [end recording]

After the speech, President Menem talked with journalists. This is part of that discussion:

[Begin recording] [Unidentified reporter] Will the changes that have been occurring in Argentina soon confirm all the prognostications?

[Menem] Certainly, 1992 will be the year of Argentine growth. We are experiencing a reactivation and I believe it is significant for the future of our country.

[Unidentified reporter] What do you think of the comments former President Alfonsin made yesterday about your administration being reactionary?

[Menem] I do not want to start polemics with Dr. Alfonsin. The Argentine people elected me to govern the country and administer the public assets. He had the opportunity to do the same and he failed. I do not want to fail, so I have entirely modified the policies he implemented. [end recording]

Officer, Arsenal Seized in Kidnap-Linked Raid

PY0912221091 Buenos Aires BUENOS AIRES HERALD in English 9 Dec 91 p 7

[Text] (NA-DYN)—The federal police arrested another person and found a large arsenal during a raid linked to the kidnapping of powerful business executives in the Buenos Aires neighbourhood of Nunez, police sources said yesterday.

Court sources would neither confirm nor deny whether the police captured another member of a gang that had kidnapped business tycoons for over a decade. However, police spokesmen confirmed the arrest but refused to give details over the raid.

The man is believed to belong to the Army's carapintada [painted faces] dissident faction. During the raid, the police sources said, authorities found Uzis, rifles, grenades and other explosives.

According to the police sources, the raid was conducted Friday after authorities arrested former Army Major Hector Ferrer, who is also linked to the carapintadas. The sources claim the police, when arresting Ferrer, found clues leading to the raid of the apartment in Nunez.

Ferrer is scheduled to testify this week before Judge Nerio Bonifatti, who is in charge of the kidnapping cases of Mauricio Macri and other businessmen. His testimony is expected to be scrutinized by the media because he is the first confirmed detainee who belonged to the Armed Forces.

Twelve people, including a former Army officer, a former intelligence agent, nine police officers and the individual detained yesterday are under arrest for reportedly belonging to an underground gang responsible for kidnapping powerful executives, while at least eight people, whom the police believe belong to the gang, are still at large.

Court sources added that former police officers Ricardo Taddei and Carlos Lorenzatti may provide insight into how the gangs operated. Bonifatti has issued a warrant to arrest the pair for their alleged role in killing Osvaldo Sivak, but they have evaded capture.

In addition, the judge asked Interpol to arrest Camilo Ahmed, Ramon Avalos, also known as "Mario," and Juan Carlos Zanome for their alleged roles in the kidnappings.

The government does not know the whereabouts of the three suspects but believes they fled the country. They

are accused of kidnapping Karina Wertheim, Rudy Apstein, Julio Dudoc, Sergio Meller and Mauricio Macri.

The government has also tightened up security along the borders and intensified the nationwide search for Angel Blois, art entrepreneur Enrique Coppola and Deputy Inspector Alfredo "Poroto" Vidal, who are believed to belong to the gangs.

Bonifatti will question the detainees today and will probably indict them later this week.

Meanwhile, the interior minister during the military dictatorship, retired General Albano Harguindeguy, called the gang "black sheep" and denied that the military regime allowed them to freely kidnap business executives.

Brazil

Collor Sanctions Law Creating Free Trade Zones

PY0712141891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 6 Dec 91

[Report by Luis Augusto Mendonca at Planalto Palace]

[Text] President Fernando Collor today sanctioned a law creating two Export-Import Processing Zones [ZPE] in Amapa State. One will be installed in the capital, Macapa, and the other in Santana County.

(Juto Garcia), former Amapa governor and legislative adviser to the president of the Republic, has said that the creation of the free trade zones in Amapa will result in thousands of jobs for state residents.

[Begin Garcia recording] These zones were created to promote our most northern borders. Amapa is Brazil's most northern state and borders French Guyana. Beginning in 1992, we will be very close to the EC. The Oiapoque River is a few meters from French Guyana. We are separated only by the Oiapoque River. Therefore, it is important that we establish this export-import corridor. [end recording]

According to spokesman Claudio Humberto Rosa e Silva, the project that creating free trade zones in Amapa was sanctioned without vetoes by President Collor and will stimulate competition in the northern region.

Collor Enforces Draft Bidding Procedures

PY0712161691 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 7 Dec 91

[Report by Luiz Augusto Mendonca]

[Text] President Fernando Collor has decided to enforce the provisions of a bill establishing public bidding procedures even before its approval by Congress. Collor ordered that the rules established in the bill be implemented immediately; that is, that bidding procedures must basically conform to law and moral standards, that it must not take into account personal references, and that it must provide equal conditions to all bidders.

The bill states that any official who undermines the competitiveness of a bidding will be dismissed and brought to trial, and he could even have his assets confiscated.

Presidential spokesman Claudio Humberto Rosa e Silva said that the president made the aforementioned decision because the current law governing public bidding procedures is extremely inadequate.

[Begin Rosa e Silva recording] Since approval of the proposal will take time, since it will necessarily require a careful and time-consuming study by Congress, President Collor decided to send a message to all ministers and secretaries asking them to observe immediately the provisions of the bill, so that the public can rest assured that the federal government maintains a position of complete openness. [end recording]

Commenting on irregularities in bidding procedures for the purchase of supplies for the Health Ministry, Rosa e Silva said that Health Minister Alceni Guerra is a good administrator who enjoys President Collor's unrestricted confidence.

Collor: Modernization To Help Economic Crisis

PY0912225291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Dec 91

[Text] President Fernando Collor today reaffirmed that modernization is the only way to overcome the country's economic crisis.

He made this remark during the ceremony in which the general officers that were promoted on 25 November were presented to the president. Lourival Macedo reports from Planalto Palace:

[Begin recording] [Macedo] President Fernando Collor complimented the 11 new generals who were promoted on 25 November. There are three from the Navy, three from the Army, and five from the Air Force.

The ceremony was held in Planalto Palace and during his address to the new generals, the president stated that Brazil is experiencing a decisive stage in its history because it has been going through an economic crisis for many years now, maybe starting with the so-called petroleum shock, and it has lowered our capability for growth.

The president believes that a profound modernization of the country is the only way to overcome the crisis. The government has already started this modernization with coherent measures and proposals.

[Collor] Among others, they are: The fight against inflation; the stabilization and cleaning up of the economy; administrative reform of the state; the containing of the

public debt; the implementation of tax integrity; the opening of our market to international competition; incentives for quality and productivity; privatization; the attraction of investment; and scientific and technological training.

[Macedo] For President Collor, modernization also requires a political component, which he summed up in two words: Confidence and work.

The president stressed that Brazilians know how to say no to pessimism and defeatism, because these attitudes are not compatible with the victorious optimistic nature of our people. [end recording]

Foreign Minister: Rights Respected in Country

PY1012010891 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Dec 91

[Text] Foreign Minister Francisco Rezek said today, on the 43d anniversary of the Declaration of Universal Rights of the Human Being, that Brazil is considered abroad to be a country where human rights are respected.

[Begin Rezek recording] It is a country where human rights are the object of absolute respect by public authorities, who are intensely concerned, and a transparency is given to the topic through the use of the media.

Nothing bad can occur, even in the minimum degree, regarding human rights without it being made known immediately and an investigation carried out. [end recording]

According to the foreign minister, there will only be an ideal respect for human rights when all inhabitants have access to work, education, and health facilities, not only in Brazil, but in all developing countries.

Rezek Comment on 'Extermination' of Minors

PY0712144691 Rio de Janeiro O GLOBO in Portuguese 6 Dec 91 p 7

[By correspondent Debora Berlinck]

[Text] Geneva—Foreign Minister Francisco Rezek admitted in Switzerland on 5 December that some Brazilian judges and prosecutors could be involved in the extermination of minors in Brazil.

"There is no doubt that we have authorities involved in that [problem], but we do not have proof, but as of now it will only be a question of months before we do. There will possibly be surprises within two months," the minister said.

Rezek guaranteed that by the end of this month President Fernando Collor will name federal attorneys in six states to combat the extermination of minors.

"The attorneys are going to enter the scene even though they have to intervene in areas where the state has exclusive jurisdiction. We are going to enter the dominions of the criminals well informed and well prepared, and the moment that those persons, including authorities, are indicted they will go to jail. We are going to stop this impunity," the minister said.

Vitit Muntharborn [name as published], special observer of the UN Human Rights Committee, will arrive in Brazil on 6 January on a special mission: He will evaluate what the Brazilian Government is doing to combat the extermination of minors.

In a meeting with Jan Martenson, UN under secretary general for human rights, the minister cited the demarkation of Indian territories as a Brazilian advance regarding human rights.

Court Orders Freeze on Pan Am Assets

PY0712001291 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 6 Dec 91

[Text] The Rio de Janeiro court has ordered a blockade of Pan Am assets and bank accounts in Brazil to guarantee the rights of a passenger. This decision seeks to aid Dina Schwartz, who has a ticket to Miami. Pan Am passengers in Rio still are trying to switch their tickets to other companies.

Government Adds Companies to Privatization List

PY0812193891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Dec 91 p 1

[Text] Four other companies—the National Iron and Steel Company (CSN), Acominas [Minas Gerais Steel Company], Cosipa [Sao Paulo Iron and Steel Company], and the Brazilian Lloyd—have been added to the list of state companies to be privatized. This report was released yesterday by Eduardo Modiano, chairman of the National Bank for Economic and Social Development. The auctions will be carried out by the end of 1992 or the beginning of 1993.

Modiano also announced that the government intends to privatize the Federal Railway Network. He said that he does not expect political reactions to the list's expansion due to the increase of public support for the program demonstrated in the last polls.

* Werneck Foresees Reversal of Inflationary Trend

92SM0119A Sao Paulo GAZETA MERCANTIL in Portuguese 12 Nov 91 p 3

[Article by Liliana Lavoratti]

[Text] Brasilia—The lessened anticipation of a new price freeze will force a decline in domestic prices beginning in December. Prices will then remain stable until March, at which time the onset of the 1991-1992 harvest will definitively reverse the inflationary trend. This forecast was made by Brazilian Secretary of the Economy Dorothea Werneck at a press conference yesterday. "The

business community has become convinced that the economy will not suffer a new shock, and there have been no further preventive markups since last week," Dorothea declared. She believes the drop in demand will compel price reductions.

Another factor that will help to stabilize prices is the advent of the agricultural harvest. Although the prices for those agricultural products that impact the food chain have played a significant role in the inflation of the last two months, any intervention would adversely affect decisions with respect to planting the 1991-92 crops. The effects of the period between harvests were intensified by the food imports: by December it is expected that 6 million tons will have been imported. The negative effects of agricultural prices are expected to continue until the harvest begins in March, according to Secretary of the Economy Werneck.

Dorothea ruled out any reindexation of the economy, emphasizing that this would contradict the short-term policy adopted by the economic team. More important for the recovery of the economy, she believes, are privatization, renegotiation of the foreign debt, emergency tax reform, and the "Emendao" [Big Ammendment]. "The short-term policy will remain the same: decontrol of the economy," she declared. In conjunction with this policy, and until such time as Congress approves the fiscal adjustment bill, the government will continue to use the same tools: an austere monetary policy and a surplus in the National Treasury.

Dorothea reaffirmed the need for monthly readjustments in public fee and rate schedules. The objective, she explained, is to reduce the amount of National Treasury funds needed to cover the deficits of the state enterprises. She pointed out that most public services are under the control of the enterprises themselves or of the Infrastructure Ministry, with the result that the Ministry of Economy has control only over electricity rates, fuel prices, and postal and telegraph rates.

Profit Margin

In the opinion of the national secretary of economy, establishing profit margins in accordance with the CLD (cost-profit-expense) formula for a list of 53 products has caused a positive chain reaction and "held down the repricing of items that were not on the list." SUNAB [National Supplies Authority] is overseeing compliance, and to date there have been no recorded instances of noncompliance with the percentages established by the Ministry of Economy for retail prices.

Sectorial Chambers

Dorothea announced that the meetings of the 51 sectorial chambers will be resumed by the end of this month. In this second phase of the activities of the chambers, however, prices will no longer be the predominant topic, in contrast to all previous meetings. Eighty percent of the time will be devoted to topics that relate to the improvement of quality and competitiveness, and the remaining 20 percent to prices. Dorothea expects to have this year's schedule of meetings ready within the next few days. The plan is for two or three chambers to meet per day in order that all 51 sectors can be included in the program for the last month of this year.

Monthly School Fees

Dorothea emphasized that the bill providing for the government's withdrawal from the administration of the monthly school fees is "one more step in the decontrol of prices." She does not believe that intervention will subsequenly occur, "inasmuch as precise rules will be established concerning the revision of fees and the evolution of costs." And whenever no agreement is reached between parents and the proprietors of the private schools, she said, "it becomes a problem for the courts to resolve."

[Box, p 3]

Revision of Reduced Tariffs

Brasilia (By Liliana Lavoratti)—The government will revise the program for the reduction of duties on imports destined for the sectors of advanced chemistry, capital goods, electrical goods, and electronics. This information was disclosed yesterday at a press conference by National Secretary of Economy Dorothea Werneck. These sectors have convinced the Ministry of Economy to speed up the schedule established for the period through 1994.

Dorothea denied, however, that the change in the overall schedule for the "opening" of the economy is linked to the policy on prices. The objective of these specific studies is to improve the competitiveness of Brazilian industry in the domestic and foreign markets, she explained. "We discarded the concept that we in Brazil are self-sufficient," she added.

The national secretary of economy pointed out that during the transition from the present stage of Brazilian industry to the projected modernization, established companies should explore new paths. Their options, she said, are to verticalize their operations and enter into partnerships with foreign firms to acquire technology, or else close their doors.

The speedup in the reduction of duties on imported electric and electronic products will be necessary in order to bring that sector of the economy into conformity with the Informatics Law, Dorothea explained. She also said that the pressure on the capital goods sector has increased in the measure that indications are negative for the anticipated stabilization of the economy and resumption of growth in 1992.

The government reduced the rate of import duties following the foreign-exchange correction as a means of reducing the price of rice, which rose more than 50 percent in October alone.

* Rezek Views Chilean Entry Into Mercosur

92SM0119C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 91 p 6

[Article by Milton Wells]

[Text] Porto Alegre—In the opinion of Minister of Foreign Affairs Jose Francisco Rezek, Chile's entry into the Southern Cone Common Market (Mercosur) is merely a question of time. Last Saturday in Canela, Rio Grande do Sul, where he was honored by the prosecuting attorneys of the Republic at their Seventh National Conference, Rezek said that geography speaks much louder today than people imagine, and Chile knows that the high point of its economic development is to be found in the common market with its neighbors.

He stated that this became very clear on the various occasions on which he met with Chilean Foreign Minister Enrique Silva Sima, who accompanied him recently to Asuncion, Paraguay, to sign the documents ratifying the Mercosur Treaty.

Ever since July 1990—when Mercosur came forward with a broader perspective that now involved four countries and no longer just two (Brazil and Argentina)—the government has never concealed its firm intention to do all in its power to get Chile into Mercosur before 1995, Rezek declared. What has happened, he said, is that Chile decontrolled its economy sooner and already has tariffs that are lower than Brazil's. This helped the Chileans decide to monitor Mercosur with a view to adopting a position later.

The foreign minister reiterated that the phase of the transition to Mercosur is scheduled to end on 31 December 1994 in the case of Argentina and Brazil. Uruguay and Paraguay will maintain a minimal relationship with respect to goods and services that will be aiming at zero tariffs by the end of 1995. Consequently, he said, there will be sufficient time to solve problems in the areas of foreign exchange, monetary stability, and inflation. Of greater concern, he believes, than the political and governmental problems are the adjustments that society itself must make to the common market.

"If there are sectors that believe they are going to suffer some kind of trauma after December 1994," Rezek said, "and are toying with the possibility of delaying the zero tariff a little longer in their sectors of production, it would make much more sense for them to correct possible weaknesses in the area of production costs—which are the source of this fear and anxiety—rather than play for time in the hope that the common market will be postponed."

The foreign minister pointed out that producers in all categories have until December 1994 to state their misgivings and criticisms with respect to Mercosur. "This is precisely the purpose of the transition phase," he said. "I recently met with cattlemen in the state of Rio Grande do Sul who would have no fear of competing with Uruguayan and Argentine cattle raisers provided they could have an agricultural and animal husbandry research program similar to the programs in those countries."

Concerning the possible merger of the recently created Special Ministry for Integration Affairs with the Ministry of Foreign Affairs, Rezek declared: "There is perfect integration between Itamaraty [Ministry of Foreign Affairs] and Minister Carlos Chiarelli, who is carrying out the task of explaining and preparing Mercosur on the domestic front—a task that is important for Brazil, which is a continental nation."

Rezek also confirmed that USSR President Mikhail Gorbachev will visit Brazil. "Only a few details remain to be worked out for his visit, which will be highly political in nature. I must therefore go to the Soviet Union in December, at which time I shall discuss his visit together with other matters such as trade relations between the two countries," the foreign minister said. Gorbachev's trip is expected to take place in early 1992.

* Oil Drilling Contract With Cuba Negotiated

92SM0119Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 91 p 15

[Article by Fatima Belchior]

[Text] Rio de Janeiro—Braspetro [Petrobras International, Inc.] and the Petroleum Union—the government entity responsible for oil exploration and production in Cuba—are already in the discussion phase of negotiations looking toward exploration of the northern coast of that country by that Brazilian state enterprise, which is a subsidiary of Petrobras [Brazilian Petroleum Corporation].

One year ago Braspetro included Cuba among those Latin American countries whose petroleum basins could be surveyed. When this phase was completed, its technical experts left to make the technical evaluations and also to study questions relating to the nature of the contract.

If it reaches an agreement with the Cubans, Braspetro—which already has contracts to explore for oil in Argentina, Colombia, and Ecuador and is negotiating with Cuba, Bolivia, and Peru—will sign a standard risk contract whereby the oil discovered will be shared between the partners in the undertaking. After its interest in Cuba has been established, the search for a partner—as is customary in all the countries in which Braspetro operates—will, however, be a new step for the Brazilian enterprise to take.

According to Renato Bertani—the manager in charge of Braspetro's New Undertakings division—the enterprise's interest is directed toward land and marine basins, and in this case toward a stratum of water (distance from the surface to the bottom of the sea) of up to 350 meters. "The area has potential," he stated, "for

otherwise it would be of no interest to us." He emphasized, however, that it is already producing oil.

Cuba currently produces between 15,000 and 18,000 barrels of oil per day (Brazil's production is 700,000 barrels per day) and imports much of what it uses from the Soviet Union. Exploration for oil had previously been carried out in Cuba by the Americans (before the revolution). More recently Cuba's basins were opened up to foreigners, but the French company Total is the only company exploring for oil at the present time.

* Annual Foreign Trade Meeting Convenes

92SM0114E Sao Paulo GAZETA MERCANTIL in Portuguese 12 Nov 91 p 6

[Article by Sao Paulo correspondent Nora Gonzalez]

[Text] Brazil needs to build an image of credibility for itself in several areas, notably that of nuclear nonproliferation, in order to break down the resistance displayed by some countries to transferring advanced technology to Brazil. Simultaneously, it must negotiate the foreign debt in a manner compatible with the normalization of economic relations with the international financial community and the program for internal stabilization with subsequent resumption of growth. Those two factors, plus others associated with Brazil's integration with the industrialized countries and even in the context of the Mercosur, were listed yesterday by Ambassador Marcos Castrioto de Azambuja, secretary general of foreign policy, at the opening session of the 11th Annual Conference on Foreign Trade (Enaex) held at the Anhembi Convention Center and sponsored by the Foreign Trade Association of Brazil (AEB).

Azambuja said it will also be necessary to modernize Brazil's legislation on foreign investment and intellectual property. "The laws must be updated in terms of the current trends in the world as a whole, and especially in those countries that are trying to attract foreign investment and ensure transfers of technology."

According to AEB President Marcus Vinicius Pratini de Moraes, Brazil needs to regain markets for high value-added manufactured goods that it lost to other competitors. And he asked: "Should we content ourselves with the Mercosur of 1994, where the sum total of the four member countries is no more than a modest 2 percent slice of the world trade pie? Certainly not," Pratini said.

The president of the entity announced for tomorrow, the final day of the Enaex, the completion of the Letter of Anhembi—a document to be delivered to Minister of the Economy Marcilio Marques Moreira containing demands formulated by the sector, such as the abolition of certain taxes, adoption of a single exchange rate, requests for more funding to finance exports, and other measures.

According to former U.S. Ambassador Anthony Motley, Brazil cannot ignore the effects of a unified market throughout the Americas and, at the same time, it must take advantage of the opportunities afforded in the Uruguay Round of the GATT and the Mercosur itself. "A speedy integration by Brazil into the Merconorte is of vital importance," he argued yesterday when he spoke on the subject "Integration with the United States of America: Conditions and Prospects."

Also at the conference, Andre Ranschburg, president of Staroup, spoke about the difficulties encountered by investors in Eastern Europe during his presentation entitled "The New Eastern Europe: What is Happening to Trade." "Capital is not flowing into Eastern Europe as fast as had been expected," he pointed out.

Ambassador Luiz Jorge Rangel de Castro assured the group that Itamaraty will begin a program to internationalize small and medium-scale companies. This effort will even involve a $2 million loan from the World Bank, to be signed today in the United States, and will be similar to what already exists within the EEC. He believes Brazil has good opportunities in the field of subcontracting. "We are going to work mainly in that area," he said.

Carlos Eduardo Moreira Ferreira, vice president of the Federation of Industries of the State of Sao Paulo (FIESP), said that since it took so many years for even the EEC to become operational, one cannot expect the Mercosur to be fully agreed on within three or four years. The subject of his speech was "Mercosur: Advantages and Disadvantages; Viability of Integration."

Ecology was also discussed at Enaex, which included presentations on "Ecology: New Nontariff Barrier and Obstacle to New Processing and Product Technologies?" The speakers were unanimous in saying that there has been a great deal of exaggeration in the developed countries on the subject of devastation of the Amazon Region. "This acts like a kind of boycott by those countries against the Brazilian lumber industry. Ecology is becoming the target of those who will do anything to gain an advantage," said Ovidio Gasparetto, an AEB board member.

* Delegation Seeks Japanese Mining Investments

92SM0119F Sao Paulo GAZETA MERCANTIL in Portuguese 2-4 Nov 91 p 21

[Article by Luiza Pastor]

[Text] Brasilia—A delegation coordinated by Carlos Oiti Berbert, president of the Mineral Resources Prospecting Company (CPRM), has just returned from Japan, where it went to discuss with the management of the Metal Mining Agency of Japan (MMAJ) the possibility of increasing the volume of Japanese investment in mining in Brazil. According to Oiti Berbert, in the last 10 years—as part of a joint research program—Japan has already made an unsecured total investment of between $25 million and $30 million.

The Brazil-Japan cooperation program provides for the National Department of Mineral Production (DNPM) to recommend projects. The maximum duration of each project selected may be no more than three years between its approval and the publication of its results. Of the three projects approved and funded by Japanese investment, to date only the Anta Gorda project in the Valley of the Ribeira, Sao Paulo State, in the early 1980's obtained favorable results from the standpoint of productivity. "With this project," Oiti Berbert told this newspaper, "we were able to triple the local mineral potential by extracting lead ore that contains zinc and silver."

This successful initiative was followed by two other projects whose results left something to be desired, as the CPRM president himself acknowledges. The first project was that of Palmeiropolis—in the southern part of the present state of Tocantins—which explored the potential for mining zinc, copper, and cadmium ore. "In this case," Oiti Berbert says, "we did not find any additional reserves, but we profited from a valuable transfer of 'know-how' in modern geophysical and geochemical techniques." The final project, which ended this year, also with results that Oiti Berbert described as "not very encouraging," was that of Curais Novos, which prospected for gold in northern Paraiba State and in southern Rio Grande do Norte State.

For next year, beginning in March—when the Japanese fiscal year begins—the DNPM is already studying a series of projects intended for implementation as part of the program. Among the more interesting proposals being studied, Oiti Berbert cites prospecting for lead in Bahia State (east of the Buquira mine) and two projects for prospecting for gold, one in southern Sao Paulo State and the other in Pernambuco State.

* Unemployment Rate Rises in Sep, Recife Highest

92SM0119E Sao Paulo GAZETA MERCANTIL in Portuguese 5 Nov 91 p 10

[Article by Vera Saavedra Durao]

[Text] Rio de Janeiro—The overt unemployment rate reached 4.35 percent in September—an increase over the figure for August (which was 4.03 percent) and that of September 1990 (4.25 percent)—according to a survey published yesterday by the Brazilian Institute of Geography and Statistics (IBGE). The survey was conducted in six metropolitan regions of Brazil: Recife, Salvador, Belo Horizonte, Rio de Janeiro, Sao Paulo, and Porto Alegre. It also showed that unemployment among women (4.40 percent) was greater than among men (4.32 percent).

The metropolitan region of Recife recorded the highest unemployment rate in the month surveyed: 7.05 percent, compared to 5.76 percent in August and 4.92 percent in September 1990. Salvador also recorded significant unemployment: 6.22 percent, compared to 5.67 percent in August and 5.60 percent in September 1990. The lowest rate was recorded in Rio de Janeiro: 3.84 percent, compared to 2.84 percent in August and 3.44 percent in September 1990. Sao Paulo recorded an unemployment rate of 4.43 percent, compared to 4.38 percent in August and 4.64 percent in September 1990.

Classified by sectors of activity, civilian construction had the highest unemployment rate: 5.32 percent, compared to 4.64 percent in September 1990. The unemployment rate in retail trade was 5.02 percent, in manufacturing 5.29 percent, and in services 3.40 percent. All of the rates rose in September, including the rate for the classification "other services" (1.82 percent), in which much of the activity of the informal economy predominates.

The proportion of employed persons who have a signed employee's booklet continues to drop, indicating growth of the informal labor market. In September of this year the proportion of employees who have the booklet dropped to 53.55 percent from 55.51 percent in September 1990. In contrast, the proportion of employed persons who either are employees not possessing a booklet or are self-employed workers rose—to 20.87 percent in September of this year from 20.35 percent in September 1990 for employees who work without a booklet, and to 20.17 percent from 18.73 percent for those who are self-employed.

Average Real Income

The average real income of employed persons in August of this year—compared to August of 1990—decreased by 16 percent in the combined six metropolitan regions surveyed, exceeding the decreases that occurred in June (5 percent) and in March (12 percent).

Peru

President Fujimori Makes Army Day Speech

PA1012015091 Lima Panamericana Television Network in Spanish 1546 GMT 9 Dec 91

[Speech by President Alberto Fujimori on the occasion of the 167th anniversary of the Battle of Ayacucho and Army Day, at the Army General Headquarters in Lima—live]

[Text] High-ranking officers of the Army, soldiers of Peru, children, ladies and gentlemen: I am very pleased to attend this ceremony and preside, for a second time as president of the republic, the celebrations that mark Peru's Army Day. I send my personal greetings to the high-ranking officers and I request they extend those greetings to each and every one of the courageous soldiers who are in every corner of the fatherland.

It has been 167 years since the Battle of Ayacucho. La Pampa de la Quinua was the site of the final victory that definitively sealed the independence of the Americas. Guided by Sucre and inspired by Bolivar, an army of Peruvian soldiers began to write the long and beautiful

history of unity of the Americas. On that day, those soldiers shed their blood for a future that perhaps today, over one and a half centuries later, we are close to attaining.

Today has been established as Peruvian Army Day because precisely on this date all Peruvians render homage to those soldiers who confronted and defeated the enemy. Their example has determined the history that all of you are writing, because the Peruvian soldiers are the direct heirs of the courage of those brave fighters at Ayacucho.

The Peruvian soldiers symbolize order, discipline, and a respect for the principle of authority our country needs. In times of peace, the soldiers have accomplished the goals the Army has outlined in its strategy of national pacification. The soldiers use picks and shovels to open roads that will bring progress to all Peruvian people. They are the driving force that builds medical centers, schools, universities, and bridges.

I respect the Peruvian Army and the soldiers who give their lives and dreams to build the fatherland, reaffirm national sovereignty, and defend democracy, and represent the most powerful bastion of national unity. Thanks to the new strategy of pacification, the Army has joined the people in a constant and positive relationshi[illegible] unity has not been imposed on the Army or the peo[illegible] That unity is based on permanent cooperation, mut[illegible] and reciprocal support, and a thorough knowledge of [illegible] strength and the dynamic realities of the people.

Today—just as it was in the days when Bolivar and the liberating army entered and was welcomed with joy—our Army is also entering the remote towns of Peru, opening roads, and is being met with the same joy. The Peruvians living in the cities and rural areas are convinced that their strength is in their Army, which encourages me to continue struggling for democracy and against terrorism.

After all, the people are united with the soldiers of Peru, because they not only share the same blood, but also the same hope for the well-being of their children and a better future for the fatherland.

I have discussed this issue on several occasions. It is necessary that I assert the nature of the national pacification strategy we are implementing.

Peace and development are closely linked. The work the Peruvian Army performs on behalf of peace and development is essential. The attainment of both objectives will depend on the participation of the people directly affected by terrorism.

That is how my government views the pacification challenge. After evaluating the challenge for several months, our viewpoint has been displayed by the recent legislative decrees.

We have pointed out the key issue of the debate because we believe that to find solutions to national problems, it is necessary to know the nature of the problems.

To struggle against terrorism, it is necessary that the people and the Armed Forces struggle together. In the past few months, the struggle has gone through a transformation, with the Armed Forces, especially the Army, working to understand the people by sharing their problems and their traditions and by using the military's extraordinary organizational ability.

The government is increasing its knowledge by learning from the real situation. It has set theories aside. It has been able to join the people and initiate a joint effort based on mutual solidarity and support.

It is from that experience that the excellent work by the peasant groups arises and the effective civic action campaign the Army is implementing in all different areas. In sharing the social effort being carried out by those brave people, the Army has realized that the final triumph over terrorism can be found in the ability of all Peruvians to hold in one hand the pick that opens up the tunnels and in the other hand the weapon that defends us from the enemy.

The pacification strategy results from that viewpoint. We did not decide it overnight. We did not have a national plan to struggle against terrorism until now. Those decrees serve to fill the legal vacuum that existed and to correct significant errors of the past.

Gentlemen, the government efforts toward pacification require a new legal, complete, and modern framework. Otherwise, the good results achieved; for example, making it possible for Army, Navy, and Air Force elements to enter universities, would be neutralized by the lack of other efforts aimed at securing peace. The efficacy of those efforts would disappear.

The strategy contained in the decrees gives cohesion to all the efforts by the government, a cohesion that did not exist before. As a result of that strategy, all the elements have a specific role. Strategy cannot function without basic concepts such as a national defense system, social mobilization, penal legislation, and, of course, intelligence.

As part of this strategy, each element is connected to the others and no element can function independently.

Always based on the principle of joint participation of the people and the public forces, the plan that has been designed establishes an operational command that applies the full logistical, strategic, and intelligence capabilities directly to the internal front, interconnecting them in such a way as to have the fight against terrorism based on a system of interconnected pieces instead of on a group of isolated efforts.

Naturally, within this system political mobilization actions on behalf of democracy are perfectly possible and

feasible. I receive such support with pleasure and welcome it, but it is necessary to realize that the Peruvian people in general, and the people who are directly linked to the antiterrorist effort in particular, have their own forms of organization and self-defense in which political criteria do not prevail and in which no particular ideology is at play, nor is any power at stake other than that which democracy has bestowed on the state.

People, organized, rule Peru. Regarding the parties, before making more commitments, we must explicitly ask some of their members—I say it with respect—whether they continue to proclaim the theory of class struggle and the elimination of the state. Be very careful. I think clear definitions of the kind of democracy they are proclaiming and the commitments they are going to make are necessary.

Evidently this strategy has the particular virtue of being complete and based upon an analysis of reality, which indicates that the proper course of action depends upon a combined effort on the part of the Armed Forces and the towns in permanent works of civic action. I want to make this clear to eliminate any doubt, particularly doubt still in the minds of those who eloquently state that my government is dependent on [reposa en] its Armed Forces. To them I do not deny that this is true. I do not deny that, together with the people, one of the pillars of my government is made up of the Army, Navy, and Air Force. They are strong institutions that understand clearly their constitutional roles, in addition to being firm defenders of the most important moral values of the Peruvian people. I personally support the recovery of such values.

What contributions are the Armed Forces making toward development? We are using their discipline, enormous work capacity, great logistical support, and effective operational skills for the social and economic benefit of the country.

Gentlemen, our Army has much to teach society. Our Army has always preserved and cultivated its principles, as well as the teachings of its heroes. Such teachings must be disseminated throughout the country. I repeat: order, discipline, and respect for authority summarize those teachings, which are the principles that will allow our young democracy to become strong and place Peru in the privileged position we all desire.

It is known that as president of the Republic I have the habit of being blunt. It is a habit that, in my opinion, has yielded good results, because the traditional language—we all know this—has been debased in our country, and also because the people must recover faith in the authorities. Obviously, I make these observations with all due respect to reflect the people's concerns about the various issues that affect their daily existence.

As president, it is my duty to interpret the feelings of the Peruvian people and defend the citizens who have suffered for decades from the dictatorship of inefficiency and bureaucracy.

Common citizens are tired and determined not to return to the times of local party bosses [caciques] and top political bosses [caudillos]. They are willing to raise their voices whenever necessary to defend the progress achieved in many areas.

That is why we should accept the changes the country demands and are firmly supported by the people and our Armed Forces. Let us reaffirm our faith in democracy and its promise of well-being and progress. Let us rescue from yesteryear the unerasable memories of [Andres Avelino] Caceres [Peruvian president 1886-1890 and 1894-1895] and [Colonel Francisco] Bolognesi [hero of the war of the Pacific]. Let us make Bolivar's dream a reality. Let us forever bury the ill feelings of the past.

Our new outlook for the future, not only of our dear country, but of Latin America in general, has a lot to do with this effort. Fears were dissipated less than a week ago in Cartagena de Indias when decisions were made to open borders, and thus, open the doors to the future.

Today, 9 December, Army Day, the date when we remember the glorious heroic deed of Ayacucho, we see on the horizon the possible materialization of Bolivar's dream, whose genius has reunited Andean America in a serious and definitive step toward establishing a common fatherland.

In this effort, the forces of order play an essential role: To always be prepared for peace and to build a future when development will be one of the most direct objectives.

On 6 December, when I presented engineering equipment to the Army at San Martin Barracks, I thought it was unfair that 30 years had to pass before the nation gave engineering equipment to its Army. Happily, however, the time of realism and true patriotism rooted in development has arrived.

This is one more example where the new strategy against terrorism has been working; bringing development projects to isolated towns of Peru. It hurts the Marxists—who only want to see a class struggle—and their kind, including the self-styled Peruvian Communist Party, Shining Path, and the Tupac Amaru Revolutionary Movement.

Today, when we are remembering the heroic deed of La Pampa de la Quinua, we consider the symbolism for democracy and victory against terror that Ayacucho represents. There, where American independence was sealed 167 years ago, our Army has been waging a battle to exterminate the criminal actions of Shining Path by using a weapon in one hand and the machinery to reconstruct the infrastructure for development in the other.

In this battle, which is Peru's battle for democracy, the recently implemented strategy for pacification provides the Armed Forces with a framework to promote an

awareness of victory and recognize a soldier's patriotic performance while in combat.

A basic part of the framework is the military status law that was recently dictated as a legislative decree. As is known, that new law empowers the president of the republic, in his capacity as supreme chief of the Armed Forces and National Police, to promote any member of our public forces by as many as three immediately higher grades when there occur regrettable cases of disability as a result of terrorist acts. It is a fringe benefit for those soldiers who, following the example of Bolognesi and Alfonso Duarte, are suffering the consequences of the human rights violations carried out by the Shining Path members.

This is a benefit that the state and my government are the first to grant, as a small way to express national appreciation in the face of the sacrifices made by Peruvian soldiers.

As part of the same strategy, Legislative Decrees No. 733 and 759 were issued. Those decrees refer to national mobilization and the military draft, respectively. Decree No. 733 states that the entire society must help in the national defense in moments of exceptional emergency. With Decree No. 759 we are correcting a bad practice that has been permitted for many years. It seems there were some irregularities concerning obligatory military service.

Pardon me for saying it here, but bluntness is necessary again to list problems and assess ways to correct them. This affirmation is valid. Is it not true that, for years, the lower classes were the only ones who complied with obligatory military service? There was always an excuse, justification, help from an influential person; and, in several cases, a false medical certificate claiming flat feet or myopia to avoid service in the Army. [applause]

The worst part about all of that, is that it allowed and even encouraged young men to lie. In the meantime, the poor young men of Peru were the only ones who faithfully complied with their patriotic duty. That does not mean that young men studying at the university or productively working have to leave their activities for two years to enlist in the Army, the Navy, or the Air Force to fulfill their military duty. We have proposed a fair solution. In this, just as in any other area, we must seek fairness.

Those who are not in condition to fulfill their military service, will not have to resort to false medical certificates. Lies are not protected by the forces of the nation. Those who do not serve, however, will have to make a contribution. That contribution will go into a fund to help finance a better military service for those who did decide to serve the fatherland.

In addition, the length of military service has been reduced from 24 to 18 months. That makes the time spent in the military more effective and serves to teach the value of the best traditions of the fatherland.

The Peruvian Army is one of the most mature and valuable institutions of our democracy. Just as it is fully qualified for war, it is also very well prepared to defend democracy and peace.

I am sure the Army supports one of the basic principles that has inspired my government from the beginning: Limiting the arms race.

When Andean countries, through their presidents, signed an agreement to eliminate mass destruction weapons, I felt the general support for that policy and the Peruvian initiative.

Regarding Ecuador, the treatment of an old conflict has become a point of rapprochement and negotiation in favor of development and against war. Maturity has finally reached our regional policy and good sense prevails. The four points of the proposal I publicly presented to my Ecuadoran counterpart seek an overall solution to a problem that, although difficult, can be resolved.

We took the first step at the Cartagena meeting and began an irreversible peace process that will bring progress and development in the future. Obviously, the final solution for the problem did not result from this first meeting. It did, however, create the climate of dialogue and detente necessary to encourage an integrationist friendship. Taking advantage of that favorable climate, before 15 January I will present to President Borja an overall proposal for peace and development, which will be based on the points previously mentioned.

We must clearly identify the problem and precisely evaluate the magnitude of the subject in discussion, because we will accomplish nothing unless we thoroughly outline our differences.

Gentlemen: It is a known fact that we have been solving with absolute pragmatism each and every one of the pending problems, and we are doing it with courage and determination. I know that I have the people's support because they know we are acting with profound patriotism, inspired by the people's mandate we received in the elections and the indelible mark and love for their homeland left by Caceres and Bolognesi, Peruvian forefathers and faithful guardians of its liberty and sovereignty.

Soldiers of the Peruvian Army: As president of the Republic and commander in chief of the Armed Forces, I am happy to join today's celebrations, the meaning of which I deeply value. Like you, I remember the La Pampa de la Quinua feat as a symbol of victory.

I must add that I fully trust the Peruvian Army. Interpreting the national sentiment, I reiterate the democratic conviction that the Army's enormous strength rests on the quality of its members, and in the ethical principles that have remained intact in light of the example given by its heroes, which guide the daily personal and professional performance of each one of its members.

This day has a profound emotional significance for those who wear the fatherland's uniform, and of course, for those of us who firmly believe in building a future of well-being based on the patriotic principles remembered on 9 December each year.

As we look forward to the future, the light shed by the eternal memory of our national heroes marks the basic social ethic that will guide our horizon. You who have inherited their example and are permanently honoring the values that bond our fatherland are privileged to defend the principles we received from the eternal heroes of our history. The Army, which protects those principles, has made it possible to build one of the most solid democratic institutions. For that reason, citizens today pay homage and support the Army as part of the Armed Forces, and as an institution that defends our constitutional system and firmly guarantees the legitimate democratic order in which we live and with which we will conquer the future.

I know that in the struggle in defense of democracy you are guided by the paradigm of sacrifice left by Bolognesi and Duarte, the sagacity and courage of Caceres, and Bolivar's spirit; all of which have given the Peruvian Army the merit of being one of the most solid and mature democratic institutions in Peru. Thank you. [applause]

Cabinet Seeks Reconciliation With Congress

PA1012044091 Lima Global de Television Network in Spanish 0100 GMT 10 Dec 91

[Text] Council of Ministers President Alfonso de los Heros has ratified his conciliatory message of 5 December when he spoke at Congress.

The senators, however, are not happy with statements made by President Alberto Fujimori and the legislative decree calling for sanctions for money laundering activities. Minister De los Heros said that the executive branch wants to work harmoniously with other state branches.

Following the declaration of the state of emergency by the Senate, Prime Minister De los Heros apologized to Congress over a statement made by President Fujimori on 6 December at the National Police Academy that has been viewed as offensive.

After greeting the president of the Senate and a congressional delegation, De los Heros began his speech by urging both the executive and the legislative branches to work in the same direction. He made a similar appeal on 5 December when he spoke at Congress.

[Begin De los Heros recording] The statement made by the president of the Chamber of Deputies, Roberto Ramirez, is very important. He said that in Peru, the state branches are independent and were not created to fight each other. [end recording]

Some senators spoke after De los Heros. They said they were not happy with the minister's explanations. The harshest senator was Jose Barba Caballero. He said that Fujimori has the virus of power. Senator Diez Canseco said that the prime minister's efforts to fix the situation failed because President Fujimori again attacked Congress during his speech on occasion of Army Day.

De los Heros took advantage of his right to reply and refuted Senator Diez Canseco.

[Begin recording] [De los Heros] Some congressmen believe it is that way, but I have explained the chronology of the events and the reasons for the statements to make it clear that the president did not mean to insult Congress.

[Reporter] Will the polemic between the state branches last?

[De los Heros] I hope that the polemic will end and we may start working together for Peru.

[Reporter] Do you think the tone of President Fujimori's speech on Army Day was like rekindling the fire of polemics?

[De los Heros] Quite the opposite. In his Army Day speech he did not refer to Congress or to any other authority not linked to the Army. On the contrary, he said that it is necessary that the political forces work for democracy together and move away from those who want to dissolve the state as we have it, from those who function in the framework of the extremist Tupac Amaru Revolutionary Movement and Shining Path. He said this clearly. [end recording]

Supreme Court Drops Charges Against Alan Garcia

PY0512113491 Madrid EFE in Spanish 2029 GMT 3 Dec 91

[Excerpt] Lima, 3 Dec (EFE)—The Peruvian Supreme Court today handed down a decision stating that there are no grounds for bringing former President Alan Garcia to trial on charges of illegally obtaining profits during his (1985-1990) administration.

The highest court of Peru considers that in his charges against the former president, the attorney general has not produced "any evidence of the commission of a crime" that would merit bringing Garcia to court.

The local radio station Radioprogramas del Peru has reported that Justice Roger Salas Gamboa drafted the decision to dismiss the charges against Garcia. [passage omitted]

Workers Demand Annulment of Government Decrees

PY2611231691 Lima LA REPUBLICA in Spanish 20 Nov 91 p 8

[Excerpt] Leaders of all labor movements yesterday went to Congress and shouted their demand for an annulment of the decrees that affect workers' rights.

Led by CGTP [General Confederation of Peruvian Workers] Secretary General Valentin Pacho, the leaders met with Senate Speaker Felipe Osterling, to whom they posed their demands.

Pacho said that several decrees in the avalanche of decrees issued by the government are unconstitutional and violate or trample on labor rights.

He blamed Congress for the situation, on the grounds that it granted legislative powers to the executive branch, which could thus issue this large number of decrees.

The labor leaders were violently stopped at Bolivar Square by the police, who used water cannons and tear gas, and who physically mistreated the demonstrators.

The police reacted violently despite the fact that the labor leaders had arranged a meeting with Osterling, who was waiting for them.

The demonstration took place at noon. [passage omitted]

Communist Party Calls Gorbachev 'Traitor'

PA2911034791 Madrid EFE in Spanish 1948 GMT 26 Nov 91

[Text] Lima, 26 Nov (EFE)—Sources in the Peruvian Communist Party (PCP) reported on 26 November that during its 10th congress and after more than 60 years of close ties, the PCP has broken ties with the Soviet Union. It has condemned perestroyka and reaffirmed its support for orthodox communism.

The PCP congress decided to declare Soviet President Mikhail Gorbachev a "traitor to communism." The PCP also decided to strengthen political ties with Cuba and China.

During the communist congress held in Lima from 20 to 25 November, this radical line was imposed by provincial leaders who displaced from power the traditional leaders who had controlled the PCP for the past 25 years.

Jorge del Prado, 81, and a member of the party since it was founded in 1929, was replaced as secretary general—a position he held since 1965—by Julio Renan Raffo, a 48-year-old philosophy professor. Del Prado, the Peruvian politician who has spent time in jail, was considered the symbol of Peru's historic left. He had led his party during times of the greatest political and trade union influence in the past decade.

The PCP had been the party with the greatest influence in the communist United Left [IU] coalition formed in 1981. The coalition's most important victory was the election of socialist Alfonso Barrantes as Lima mayor from 1984 to 1986. IU had also been the second most important legislative force until the 1990 legislative elections. Those elections were a disaster for the PCP, which won only one senatorial seat, currently being held by Del Prado. The radical sector also seized control of nearly 80 percent of the 60 positions of the PCP Central Committee.

Peruvian political commentators thought that Del Prado's departure as secretary general would mark the start of an internal perestroyka, but the decisions made by the congress point to a more radical and orthodox course.

The congress also agreed to undertake a policy of direct opposition to President Alberto Fujimori's government, which it described as "neoliberal, pro-IMF, civilian-military, and on the way to becoming a fascist dictatorship."

Police Disperse Defense Ministry Workers

PA0712003991 Lima Global de Television Network in Spanish 0100 GMT 4 Dec 91

[Text] On 4 December, approximately 2,000 civilian Defense Ministry workers who were marching to demand a salary increase were dispersed by police using tear gas, nightsticks, and water cannon. The workers staged a 24-hour strike, which could be the beginning of an indefinite strike.

Heeding to a call for a 24-hour preventive strike, approximately 2,000 civilian workers of the Armed Forces—the Army, Navy, and Air Force—assembled outside the headquarters of the former War Ministry's employees association located on 19th Street and Arequipa Avenue in Lima.

According to the labor leaders, the government is not making the payments that correspond to Legislative Decree 608. The workers claim that currently the average monthly income is reduced to 10 soles. We have here statements by several workers.

[Begin recording] [First unidentified worker] My salary is 57 soles, but after all the deductions for the Mutual [mortgage] and the Peruana [insurance], what I have left each month for my wife and my children to live on is 10 soles.

[Second unidentified worker] To support my family, I have to work at a second job after my regular hours at the ministry. I do not even see my children on Saturdays or Sundays. [end recording]

After the assembly, the workers began a march toward the Defense Ministry, but the police dispersed the workers with tear gas and water cannon.

There is just a small group of policemen, but they have only allowed approximately 2,000 retired Navy and Air Force workers to advance two blocks. However, the

workers are advancing right now. Much tear gas has been used against the strikers, but they persist and continue to advance.

[Begin recording] [Third unidentified worker] We have a miserable salary that does not even amount to $50 [currency as heard] per month. They [not further identified] are the ones who get all the money. Pay us. [end recording]

Two workers, representing the Defense Ministry strikers, will be allowed to enter the ministry, which is headed by Victor Malca Villanueva.

Venezuela

Salvadoran President Cristiani Meets With Perez

PA1012043491 Paris AFP in Spanish 0041 GMT 10 Dec 91

[Excerpt] Caracas, Dec 9 (AFP)—Official spokesmen have reported that Salvadoran President Alfredo Cristiani met with Venezuelan President Carlos Andres Perez at the Simon Bolivar International Airport 20 km outside of Caracas on 9 December.

Cristiani, who "unexpectedly" traveled to Colombia to meet with President Cesar Gaviria on this same date, was received during his brief stopover by President Perez and Foreign Minister Armando Duran. The three men discussed the peace negotiations between the Salvadoran Government and the guerrillas. Cristiani is to return to El Salvador on the evening of 9 December. [passage omitted]

Defense Minister Reviews Airspace Violation

PA0812224791 Caracas Venezolana de Television Network in Spanish 0000 GMT 7 Dec 91

[Text] Defense Minister General Fernando Ochoa Antich has stated that violation of the country's airspace cannot be considered normal, adding that neither the national government nor the Armed Forces accept the situation. Therefore, the necessary measures have been taken to prevent such irregularity being repeated.

[Begin Gen. Ochoa recording] The national government and the Armed Forces cannot term as normal a violation of the national territory. In fact, we not only reject it, we are also alert and prepared to adopt the necessary measures to prevent it—and we recently proved it when an Air Force aircraft intercepted a U.S. airplane in an incredibly short time. The airplane was detected violating our airspace and was forced to land at Palo Negro Air Base. I want to clearly establish this because we believe it is quite critical for the defense minister to say that the violation of our country's airspace or land is normal. [end recording]

Carabobo Governor Meets University Students

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[Text] Carabobo Governor Enrique Salas Romer met on 3 December with the presidents of the various student centers at Carabobo University to outline a plan to prevent future public disturbances such as those that occurred on 3 December.

[Begin Salas recording] The students have taken laudable measures. They held meetings at each of the schools to guarantee that classes will be held. They armed themselves with bats and even allied themselves with neighbors of the university neighbors to combat the hooded ones.

What happened in Carabobo on 2 December is unacceptable. Seven unarmed policemen were injured. Snipers firing from the university shot two of them in the neck. One of the injured was scheduled to graduate the day after tomorrow as the top-ranking student. We sent him there with some other undergraduates so there could be no animosity among them, but rather a good student-to-student relationship. Consequently, I am very pleased that the students and the university have assumed the responsibility of maintaining order. This will ensure that classes can go on and that order will be preserved for the good of the rest of the community. This is how a country is constructed. [end recording]